A/59/13

United Nations

Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 July 2003-30 June 2004

General Assembly
Official Records
Fifty-ninth Session
Supplement No. 13 (A/59/13)

General Assembly
Official Records
Fifty-ninth Session
Supplement No. 13 (A/59/13)

Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 July 2003-30 June 2004

United Nations • New York, 2004

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

ISSN 0082-8386

Contents

Chapter		Paragraphs	Page
	Abbreviations		v
	Letter of transmittal		vi
	Letter dated 30 September 2004 from the Chairperson of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency		viii
I.	Overview	1–41	1
II.	General developments in Agency programmes	42–118	11
	A. Education	42–62	11
	B. Health	63–74	18
	C. Relief and social services	75–92	27
	D. Microfinance and microenterprise programme	93–107	34
	E. Geneva conference	108	39
	F. Fund-raising activities	109–110	39
	G. Emergency appeals	111–112	40
	H. Projects	113–115	41
	I. Peace Implementation Programme	116–118	43
III.	Financial matters	119–138	44
	A. Fund structure	119–123	44
	B. Budget, income and expenditure	124–131	44
	C. Non-regular budget activities	132–134	46
	D. Current financial situation	135–138	46
IV.	Legal matters	139–189	48
	A. Agency staff	139–158	48
	B. Agency services and premises	159–183	57
	C. Other matters	184–189	68
V.	Jordan	190–207	71
	A. Education	190–195	71
	B. Health	196–198	72

C. Relief and social services 199–207 73

VI. Lebanon 208–228 75

A. Education 208–214 75

B. Health 215–219 76

C. Relief and social services 220–228 77

VII. Syrian Arab Republic 229–247 80

A. Education 229–232 80

B. Health 233–236 80

C. Relief and social services 237–247 81

VIII. West Bank 248–267 84

A. Education 248–253 84

B. Health 254–257 85

C. Relief and social services 258–267 87

IX. Gaza Strip 268–287 89

A. Education 268–272 89

B. Health 273–276 90

C. Relief and social services 277–287 91

Annexes

I. Statistical and financial information tables 94

II. Pertinent records of the General Assembly and other United Nations bodies 108

Abbreviations

CBO	Community-based organization
CRC	Community rehabilitation centre
FAO	Food and Agriculture Organization of the United Nations
ICRC	International Committee of the Red Cross
IDF	Israel Defense Forces
LAC	Local Administrative Committee
NGO	non-governmental organization
PLO	Palestine Liberation Organization
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNTSO	United Nations Truce Supervision Organization
WFP	World Food Programme
WHO	World Health Organization

Letter of transmittal

30 September 2004

I have the honour to submit to the General Assembly my annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the period 1 July 2003-30 June 2004, in compliance with the request contained in paragraph 21 of General Assembly resolution 302 (IV) of 8 December 1949 and with paragraph 8 of General Assembly resolution 1315 (XIII) of 12 December 1958.

In chapter I, an overview of events and developments in the region is provided, with reference to the five United Nations Relief and Works Agency for Palestine Refugees in the Near East fields of operations in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip, as well as a description of the funding situation that UNRWA faced during the reporting period.

Chapter II covers general developments in the education, health, relief and social services, and microfinance and microenterprise programmes of the Agency and in its fund-raising activities, emergency appeals and project activities.

Chapter III covers financial matters, including income and expenditure for the regular budget and the projects and emergency budgets, non-regular budget activities and the Agency's current financial situation.

Chapter IV deals with legal matters, in particular those relating to Agency staff, services and premises, as well as constraints affecting Agency operations.

Chapter V provides information on UNRWA operations and its main programmes in the Jordan field, while chapter VI deals with the Lebanon field, chapter VII with the Syria field, chapter VIII with the West Bank field and chapter IX with the Gaza field.

Annex I provides statistical and financial information regarding the Palestine refugees and Agency programmes, finances and staff. Annex II refers to pertinent records of the General Assembly and other United Nations bodies.

Following established practice, the annual report in draft form was distributed in advance to the 10 members of the Advisory Commission, whose relevant comments and observations were given careful consideration. The draft report was discussed with the Commission at a meeting held in Amman on 30 September 2004. The views of the Commission are contained in a letter addressed to me from the Chairperson of the Advisory Commission. A copy of the letter follows.

President of the General Assembly
United Nations
New York

I have maintained the practice of showing my report in draft form to representatives of the Government of Israel. Pursuant to General Assembly decision 48/417 of 10 December 1993 that the Advisory Commission establish a working relationship with the Palestine Liberation Organization (PLO), a representative of the PLO attended the meeting of the Commission on 30 September 2004 and a copy of the draft report was shared with him.

(*Signed*) Peter Hansen
Commissioner-General
United Nations Relief and Works Agency
for Palestine Refugees in the Near East

Letter dated 30 September 2004 from the Chairperson of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency

At its regular session, on 30 September 2004, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) considered your draft annual report on the Agency's activities and operations during the period 1 July 2003 to 30 June 2004, which is to be submitted to the General Assembly at its fifty-ninth session.

The Commission noted with concern the continuing deterioration in the political, economic and social situation in the occupied Palestinian territory, including the escalation of armed attacks during the reporting period. The humanitarian crisis is evidenced primarily by high levels of poverty, deteriorating health conditions, the displacement of an increasing number of Palestinians following the destruction of their homes and the disruption of educational programmes and the increasing exhaustion of the capacity of the Palestinian population to sustain itself in the face of the continuous decline in economic and social conditions since September 2000. For instance, you report that a total of 970 refugee shelters were demolished, rendering over 9,416 Palestinians homeless, during the period under review. In addition, recent reports estimate unemployment in the occupied Palestinian territory at the end of 2003 at approximately 25 per cent, even excluding unpaid family labour and a marked increase in "self-employment". Those conditions have had a particularly severe effect on Palestine refugees, who are often among the poorest and most vulnerable part of the population, and have required additional engagement by the Agency.

The Commission noted with concern that the construction of the separation wall/fence, internal and external closures, curfews and other restrictions imposed by the Israeli authorities in both the West Bank and the Gaza Strip has led to severe and sustained mobility restrictions on the Palestinian population and has had repercussions on their daily life and future. The restrictions have led to the loss of access by the population to employment and income as well as access to essential goods and services. The restrictions have also had a serious impact on the ability of the Agency to move staff and humanitarian assistance to those in urgent need. Obstacles to the delivery of urgently needed humanitarian assistance to refugees have remained in place as the conflict and level of violence have persisted. The Commission noted the negative impact of those practices on UNRWA operations and reiterated the need to take urgent measures to remove restrictions placed on the movement of Agency staff and goods, in keeping with international law and the agreements between UNRWA and the Government of Israel. We noted therefore, with particular concern, that you were denied the opportunity to attend this meeting in person, as a result of Israel's closure of the Erez crossing and its refusal to facilitate the free movement of international humanitarian workers. The Commission also expressed concern at the declaration by the United Nations of security phase IV on 20 July 2004, as a result of Israeli military operations in the northern Gaza Strip, during which the lives of no less than 54 UNRWA staff members were put at serious risk, with shots fired in their direction or immediate vicinity. This forced the Agency to relocate most of its headquarters international staff, thereby severely disrupting the operations at headquarters. The Commission noted that all regular programme and emergency operations in the Gaza Strip continued, as these are implemented by the Agency's Gaza field office, which remained fully staffed.

The Commission commended the Agency's management and staff under your leadership for the resolute and effective response to the continuing emergency in the occupied Palestinian territory. The Commission noted with appreciation the dedication with which many of the Agency's staff members have worked for long hours in the field and, in the case of area staff, without receiving the hazard pay they deserve, as is received by staff of other United Nations agencies, to overcome obstacles often in dangerous and even life-threatening situations and to deliver services to those in urgent need of humanitarian assistance. The Commission reaffirmed the pressing need to respect the integrity of the United Nations and the immunities of its staff, particularly in the case of humanitarian staff courageously operating in areas of conflict, as stated in Security Council resolution 1502 (2003) of 26 August 2003.

The Commission commended the efforts of the Agency to respond to the continuing emergency in the occupied Palestinian territory and to mobilize contributions by the international community for its emergency appeals. It noted that, up to the end of 2003, donors had contributed $323.1 million in response to appeals amounting to $529.7 million. It also noted that the Agency had launched appeals totalling $209.4 million, including $15.8 million for the Rafah appeal, for 2004. The Commission noted with concern that the level of response of the international community to the 2004 appeals had stagnated, in that as of mid-September 2004 only $89.5 million had been pledged and $82.9 million actually received. In the light of the escalation of the humanitarian crisis in the occupied Palestinian territory, the Commission appealed to the international community to do its utmost to enhance contributions to the Agency's emergency programmes. It also called upon UNRWA to continue to examine closely its emergency programmes and priorities and its analysis of its emergency needs, and to explore further options to widen the donor base and increase donations to fulfil the Agency's and the refugees' needs.

The Commission also expressed its concern at the destruction of and damage to the infrastructures and facilities of UNRWA. It noted the increase in military incursions in the West Bank and Gaza Strip and the ensuing high number of refugee shelters destroyed in the latter area during the reporting period.

The Commission recognized that the Agency has made efforts to conduct an effective programme of delivery of emergency assistance to the affected refugees and that the Agency's periodic reports have been distributed to donors to inform them of the implementation. It expressed its appreciation at the improvements in coordination of emergency activities on the ground, including through the Operational Coordination Group, and the Agency's close relationship with the International Committee of the Red Cross and with the Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat. The Commission expressed its satisfaction at the significantly increased level of cooperation and coordination within the United Nations system, resulting in the production of the consolidated appeal for the occupied Palestinian territory for 2004. It encouraged UNRWA to continue to work closely with the Office for the Coordination of Humanitarian Affairs in that field.

The Commission underscored the crucial importance of the Agency's regular budget and the need for a consistent and growing level of contributions to it. It noted that for 2003, contributions amounting to $323.4 million had been received. The Commission stressed the importance of a steady and predictable growth in contributions to the regular budget in the coming years, which is indispensable if the Agency is to respond adequately to the refugees' real needs in the five fields of operations. The Commission also called upon UNRWA to expand and report on its efforts to reach out to non-traditional donors to ensure that the Agency's financial needs are fully met.

The Commission expressed great appreciation to the host Governments for the continuing support and services they provide to Palestine refugees, recognizing the important contribution made by the Palestine Liberation Organization and the services it provides to the Palestine refugees.

The Commission expressed its gratitude to those donors who have made additional contributions to the Agency with a view to absorbing the outstanding VAT debt due from the Palestinian Authority. It urged the Agency to continue to pursue the objective of VAT exemption for UNRWA as well as the reimbursement of outstanding VAT with the Palestinian Authority. It also requested the Agency to continue discussions with the Israeli authorities with a view to recovering all outstanding port charges, in accordance with the 1967 Comay-Michelmore agreement between Israel and UNRWA.

The Commission recognized the structural understaffing of the Agency at its headquarters and field offices and expressed support for the UNRWA request for additional international positions from the United Nations "assessed contributions" budget. It welcomed the Agency's decision to abolish the area staff rules of 1999, thereby contributing to the Agency's efforts to attract and retain qualified area staff. It noted that a sum of $5.1 million was still outstanding with respect to the expenses incurred by the Agency on account of the shifting of its headquarters from Vienna to Gaza, in accordance with the instructions of United Nations Headquarters. The Commission requested that you pursue the matter with United Nations Headquarters for the reimbursement of the amount as soon as possible.

The Commission commended UNRWA and the Swiss Agency for Development and Cooperation for organizing the Geneva conference on 7 and 8 June 2004. The conference's preparatory process was particularly successful in closely involving Member States and other stakeholders and providing for constructive interaction between them. The conference itself saw an impressive level of participation and genuine interest in supporting the Agency's mandate and operations in the field. The Commission emphasized the importance of the follow-up process which is already under way and will form the basis of further discussion with the Agency regarding its priorities and programmes, and their articulation within the Agency's proposed medium-term plan, as well as the way forward as regards the Agency's consultative mechanisms, including this Advisory Commission itself.

The Commission recognized the vital role the Agency plays in providing the refugees with essential services and in contributing to regional stability and underlined the need to upgrade the Agency services further. It expressed its support for the various major rehousing and infrastructure projects undertaken in, inter alia, the Jenin, Neirab, Tel el Sultan, Khan Danoun, Khan Eshie and Khan Younis camps, as well as the ongoing Palestine refugee records project. It also underlined the need for donor countries to continue to enhance their contributions to the UNRWA budget at the current critical stage so that UNRWA can continue to fulfil its mandate until a just settlement to the refugee issue has been implemented, in accordance with relevant United Nations resolutions.

The Commission expressed its warm appreciation for your personal commitment to the service of the refugees and the effective leadership you are providing to the Agency at a particularly difficult period in its history.

(*Signed*) Abdul Karaim **Abu Al-Halja**
Chairperson of the Advisory Commission

Chapter I

Overview

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established pursuant to General Assembly resolution 302 (IV) of 8 December 1949. The Agency became operational on 1 May 1950, and began responding to the immediate humanitarian needs of about 880,000 Palestine refugees in the region. Over the past five decades, the Agency has grown into one of the largest United Nations programmes, employing over 25,000 staff members, including teachers, health workers, social workers and other service providers. The Agency operates some 900 facilities providing education, health, relief and social services, and runs a microfinance and microenterprise programme, for a growing population of refugees who now number over 4 million. UNRWA provides its services in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. About one third of the refugees live in camps that are administered by the respective governmental authorities. A number of the Agency's installations are also located in the camps and its services are, for the most part, rendered directly to the beneficiaries. While the Agency's services are funded from its budget, where appropriate and possible, refugees contribute to service costs through co-payments, self-help schemes, participation fees and voluntary financial contributions.

2. The Agency's services to the refugees, which constitute an essential investment in their human resources, include the following broad categories: elementary and preparatory education; vocational and technical training; comprehensive primary health care, including disease control and family health; assistance towards hospitalization; environmental health services in refugee camps; relief assistance to vulnerable households; and social services for women, youth and persons with disabilities. The Agency has developed a fast-growing microfinance and microenterprise programme which assists in developing the entrepreneurial skills, the income-generating capacity and self-reliance of the refugees. In addition to its regular programme, the Agency undertakes a range of infrastructure projects to improve the living conditions of the refugees. As a result of the ongoing crisis in the occupied Palestinian territory, UNRWA has implemented a comprehensive programme of emergency activities for the Palestine refugees, which has included the provision of food aid, cash assistance, emergency employment generation, shelter repair and reconstruction, remedial education and the provision of emergency health services, including trauma counselling and psychological support.

3. UNRWA operations are almost wholly funded through voluntary contributions from Member States and other entities. The constraints posed by the unpredictability of funding over the medium term are ameliorated to a certain extent by the readiness of some of the Agency's major donors to provide unearmarked funds to the UNRWA regular budget. The Agency's 10 largest donors, who together provide over 80 per cent of its current cash income, are, in descending order as per 30 June 2004: the United States of America, the European Commission, the United Kingdom of Great Britain and Northern Ireland, Sweden, Norway, the Netherlands, Italy, Denmark, Canada and Germany.

4. The reporting period was characterized by the continuation of conditions of strife in the occupied Palestinian territory. UNRWA fully recognizes the right and duty of the Government of Israel to protect its citizens. This does not in any way

affect the obligations of Israel under international humanitarian law, which prohibits, inter alia, disproportionate military responses, the killing of innocent civilians and their children and collective punishment. During the reporting period, there was a sharp increase in extrajudicial killings by the Israel Defense Forces (IDF), including the assassination of leaders of militant groups. The large-scale military operations undertaken by IDF continued to cause heavy loss of life and widespread damage to and destruction of Palestinian property and infrastructure. The number of suicide bombings inside Israel decreased significantly, while rocket and mortar attacks from the Gaza Strip on targets within Israel and against settlements and IDF positions within the Gaza Strip continued during the reporting period.

5. Military incursions into refugee camps in the Gaza Strip were particularly extensive during the reporting period, which was characterized by a further dramatic increase in shelter and home demolition. No less than 901 refugee shelters were destroyed and 1,410 were damaged in the Gaza Strip alone.

6. The severe economic depression that the Palestinian economy had been experiencing since September 2000 continued unabated during the reporting period. According to the World Bank, unemployment declined slightly but remained at over 25 per cent, even excluding unpaid family labour and a marked increase in "self-employment", both of which tend to mask discouragement in seeking employment. Even for those fortunate to be employed, real wages declined by a further 2.6 per cent. The resumption of tax revenue transfers from Israel to the Palestinian Authority and payment of arrears therein provided a one-time boost to the Palestinian economy. Despite this, Palestinian per capita income remained some 35 per cent lower than its pre-intifada level. As a result, over half the Palestinian population continued to live below the poverty line.

7. During the reporting period, 34 UNRWA staff members were detained by the Israeli authorities, and the Agency was systematically refused access to members of its staff in detention. Despite assurances to the contrary, the Ministry of Foreign Affairs had yet to follow up on any of the Agency's requests for official information and documents concerning the charges against its detained staff members, or the status of ongoing legal proceedings, convictions or appeals.

8. The Agency is indebted to its staff and acknowledges their dedication and loyalty in such difficult and often dangerous circumstances. It notes with regret that the 12,000 local UNRWA staff in the occupied Palestinian territory are ironically the only United Nations staff members working in the area who do not receive hazard pay, whereas they are arguably the most exposed to immediate danger. Efforts at solving this anomaly with United Nations Headquarters continued, but had unfortunately not yet yielded any significant result at the end of the reporting period.

9. The environment in which the Agency had to carry out its operations in the occupied Palestinian territory continued to affect negatively its ability to deliver services. The World Bank estimated that the physical damage from the conflict had reached a figure of about $930 million by the end of 2002. Among the buildings damaged and equipment destroyed were UNRWA installations, such as schools, training centres and health-care facilities. Closures and checkpoint delays prevented schools from operating normally as large numbers of teachers and students could not reach their schools or return to their homes. Office workers, doctors and nurses

could not reach their places of work, including health centres and clinics, trucks carrying humanitarian supplies could not reach their destinations in time, ambulances were delayed or prevented from moving patients needing urgent treatment and UNRWA school buildings were taken over by Israeli forces and used as bases and detention centres. Agency vehicles were fired on and staff members were injured, beaten or humiliated by Israeli soldiers. In all such incidents, the Agency protested to or informed the Israeli Ministry of Foreign Affairs and IDF. They were reminded of their obligations under the 1946 Convention on the Privileges and Immunities of the United Nations and the 1967 bilateral Comay-Michelmore Agreement between the Agency and the Government of Israel as well as international norms on the issue of humanitarian access (see chap. IV). There were also a few instances where Palestinian militants entered UNRWA premises. The Agency took immediate steps to effect their removal from the installations and protested to the Palestinian Authority, which responded promptly and appropriately. In one incident, militants commandeered an UNRWA ambulance, threatening its driver and forcing him to transport a wounded gunman and three of his armed colleagues to hospital. UNRWA strongly condemned the incident and publicly called on all parties to respect the integrity of its ambulance services and the neutrality and impartiality of its staff.

10. In the West Bank, military operations carried out by Israeli forces, which included the imposition of curfews and closures and the creation of closed military zones, had an adverse impact on the Agency's ability to carry out its humanitarian functions in support of the Palestine refugees. Movement of humanitarian goods, particularly in places where supplies of food, medicines and other items were urgently needed, was often blocked, delayed or made very difficult. In a number of instances, UNRWA vehicles and staff had to face life-threatening situations as they came under fire from Israeli forces.

11. In the Gaza Strip, the external closures imposed on the area and the internal closures that effectively bisected or trisected the Strip for significant periods of time led to severe disruption in the delivery of UNRWA humanitarian supplies to distribution centres and other installations. At the same time, the Agency's staff working at the headquarters and the field office in Gaza City could not reach their work places from cities and refugee camps in the centre and the south of the Strip. Israeli authorities continued to hinder the movement of UNRWA international staff into and out of the Gaza Strip. Intensive efforts on all sides did not lead to significant results in addressing these new obstructions during the reporting period. The unpredictability of the Erez passage and the increasing danger caused by major Israeli military operations in its vicinity eventually led to the declaration of security phase IV in July 2004, one month after the end of the reporting period. Part of the Agency's international staff had to be relocated to Jerusalem and Amman in an effort to enable them to continue to operate as effectively and efficiently as possible under the deteriorating circumstances.

12. As described in previous reports of the Commissioner-General to the General Assembly, UNRWA has put into place an extensive emergency assistance programme for refugees affected by the conflict in the occupied Palestinian territory. The Agency's largest activity has been the provision of food aid to over 1.3 million refugees. Its emergency employment programme has generated 1,823,287 work days during the reporting period. Owing to insufficient funding, UNRWA was forced to

curtail provision of remedial education to its pupils and psychological counselling to children and adults.

13. The Agency provided temporary accommodation and emergency assistance to the refugees when their shelters were destroyed. It launched several rehousing projects to afford the refugees new dwellings which conform to standards of minimum human decency. In the West Bank, the implementation of the Jenin camp reconstruction project neared completion. Meanwhile, the rhythm of shelter destruction in the Gaza Strip increased significantly, necessitating the expansion of major reconstruction and rehousing programmes there. The Agency managed to provide 256 new housing units and repaired 547 refugee shelters, but it was not able to keep up with the accelerated pace of shelter destruction, particularly in Rafah.

14. To facilitate the Agency's activities under its emergency programme, the Operational Support Officers programme was extended in the West Bank and Gaza Strip. The programme played a crucial role in facilitating the delivery of humanitarian goods, safe passage of Agency staff through checkpoints and, more generally, in enhancing the proper implementation of Agency programmes in accordance with United Nations norms.

15. Appeals for assistance from the international community to fund the Agency's emergency programmes in the occupied Palestinian territory were first launched in October and November 2000. During the reporting period, appeals were launched for the second half of 2003 ($102.8 million) and for 2004 ($193.6 million).

16. The international community's response to these appeals has gradually decreased as the crisis entered its fourth year and other world crises diverted the attention of donors. In 2003, contributions covered 47 per cent of the needs documented in the Agency's appeals, while the proportion for 2004 stood at 32 per cent as of 30 June 2004. It must be stressed that continued support for the UNRWA Emergency Appeal is crucial to the survival of the Palestine refugees in the occupied Palestinian territory. A new development of concern to the Agency was the increasing reluctance of donors to fund the construction of new homes for refugees whose shelters had been destroyed by IDF, as such contributions could be seen as making them complicit in the violations of international humanitarian law committed by the occupying Power. UNRWA has expressed the view that, while it agrees that the wide-scale destruction perpetrated against civilian victims could well be considered contrary to international humanitarian law, it would be particularly ironic if this position of principle were applied to the sole detriment of the refugees and other civilian victims.

17. During the reporting period, the Government of Israel initiated a plan to disengage from the Gaza Strip. UNRWA hoped that the implementation of the plan, as supported by the Quartet, could bring an end to the occupation in the Gaza Strip, a relaxation of the closure regime and unfettered access for Palestinian goods to the outside world. Such developments could in time considerably reduce the economic plight of the Palestine refugees and could enable the Agency to wind down gradually its emergency operations and concentrate fully on the implementation of its main programme of operations. The Agency did not, however, exclude the possibility that the disengagement would maintain most restrictions on the freedom of movement of persons and goods, further exacerbating both the dire economic situation and feelings of hopelessness in the population at large. In such a situation, the Agency would undoubtedly be called upon to step up its efforts to ameliorate the

suffering of the refugees and would require significant increases in extrabudgetary contributions to do so. The plan remained unimplemented at the end of the reporting period and IDF operations in the Gaza Strip continued unabated. The deteriorating security situation in the Gaza Strip is a matter of concern to the Agency, which requires a basic minimum level of law and order as well as continued acceptance by the local population to carry out its operations effectively.

18. During the current reporting period, the Government of Israel also proceeded with the construction of a "wall/fence" inside the West Bank, despite calls to the contrary from the international community through the adoption of General Assembly resolutions (and the advisory opinion rendered on the issue of the wall/fence's legality by the International Court of Justice on 9 July 2004). The wall/fence has already led to the further impoverishment and isolation of refugee families living in its vicinity, particularly those living between it and the 1967 borders, and has created new obstacles to the delivery of essential UNRWA services to them. The Israeli High Court has instructed the Government of Israel to make greater efforts to ameliorate the wall/fence's adverse impact on the life of the Palestinian population, but UNRWA remains concerned that both the existing wall/fence and its further extension will constitute a new and formidable obstacle to the delivery of UNRWA services to the affected population. During the reporting period, the wall/fence already seriously affected the functioning of the Agency's hospital in Qalqilia, as the city was fully isolated and encircled and patients experienced great difficulty in reaching it.

19. During the reporting period, UNRWA continued to implement its regular programme, providing education, health, social services and microcredit assistance to Palestine refugees in its five fields of operation. It also vigorously pursued its processes of internal management reform, with a view to enhancing the Agency's overall efficiency and effectiveness. Moreover, it undertook the preparation of a new Medium Term Plan. Finally, it organized the first major conference since its inception, stimulating partnerships and strengthening its relations with its stakeholders.

20. The UNRWA education programme is its largest activity: it currently runs 658 schools providing basic and preparatory education to approximately 490,000 pupils (of which 50.1 per cent are female), as well as five secondary schools in Lebanon, eight vocational training centres and three teacher training colleges. It has benefited since its inception from its close cooperation with UNESCO, which funds crucial senior posts within the Agency and provides it with ongoing technical assistance and general guidance. The Agency's schools follow the national curriculums of the host countries in each of its five fields of operations. As a result, the Agency is required to implement all improvements and enhancements to the curriculum introduced by the host country authorities. Because of its precarious financial situation, UNRWA has been struggling to keep pace with such developments, which include the introduction of a tenth year in basic education in the occupied Palestinian territory, English language in elementary schools in Jordan and computer science in Jordanian and Syrian preparatory schools. The Agency's university scholarship programme was discontinued owing to financial constraints, a decision which in time will affect the Agency's capacity to attract trained medical staff for its health centres. Financial constraints have also hampered the modernization of the curriculum and infrastructure of the Agency's vocational training centres, endangering the effectiveness of these centres of excellence. Despite the financial

challenges, the UNRWA Education Department continued to implement reform and improvement of internal processes as well as specific projects, such as the Computer Information Technology Initiative. Enrichment material advocating tolerance and peaceful conflict resolution has been successfully introduced Agency-wide. In the reporting period, UNRWA continued its introduction of secondary schooling in Lebanon, as a result of continued restrictions in access for Palestine refugees to the Lebanese public education system. In the West Bank and Gaza Strip, operations were severely hampered by the ongoing crisis. Israeli military action tragically left 29 pupils dead and 147 injured in the reporting period. The loss of teacher days rose to approximately 59,343 and the reporting period showed declining examination scores in the Agency's schools as a result of the conflict.

21. Technical supervision of the UNRWA health programme is provided by WHO, which also supplies the services of senior management staff and short-term consultants, technical literature and publications. The Agency's current focus is on sustaining adequate levels of investment in primary health care (with special emphasis on maternal and child health and disease prevention and control), enhancing the process of institutional capacity-building and developing its human resources. Management reforms implemented during the reporting period led to the introduction of new systems relating to health information, hospital management and drug supply management. The situation in the occupied Palestinian territory has caused a significant deterioration of the refugees' health: various studies document the increasing prevalence of acute and chronic malnutrition as well as iron deficiency anaemia and low birth weight. UNRWA health centres continue to face abnormally high work loads, with an average of nearly 100 medical consultations per doctor per day. Studies also warn of breakdowns in preventive services to women and children owing to closures and curfews, resulting in a drop in infants completing immunization on schedule. Additional expenditure was incurred by the Agency following the breakdown of cost-sharing arrangements in the West Bank regarding secondary care, caused by the generalized impoverishment of the refugee population. In Lebanon, UNRWA strengthened its cooperation with the Palestinian Red Crescent Society facilities in the country, providing cost-effective secondary health care to refugees unable to afford the high cost of private hospitalization. The Agency also continued its environmental health services in refugee camps throughout its areas of operations, introducing and/or improving sewerage disposal, storm water drainage, provision of safe drinking water and refuse collection. During the reporting period, major projects were under way in the Syrian Arab Republic and Lebanon, relating to construction of water and sewerage systems in various refugee camps.

22. The UNRWA relief and social services programme addresses the needs of the most vulnerable among the refugee population and seeks to reduce poverty. It applies a participatory approach in fostering community-based organizations with a special focus on women, children and youth, as well as physically/mentally challenged refugees. The Agency's special hardship programme is in increasing demand owing to the difficult socio-economic situation in Jordan, continuing restrictions on employment of Palestine refugees in Lebanon and the crisis in the occupied Palestinian territory. The current trends in the programme clearly point to a feminization of poverty among the refugees, as the incidence of female-headed vulnerable households increases. Shelter rehabilitation has continued insofar as extrabudgetary funding was forthcoming, as the current state of the General Fund

does not allow such activities to be funded from the Agency's regular budget. During the reporting period, funding by Governments and provision of land by the host authority enabled the Agency to implement rehousing projects in Gaza, following large-scale destruction of refugee shelters.

23. Significant progress was made during the reporting period in the implementation of the Palestine Refugee Records Project, made possible through extrabudgetary funding. This project will ensure a major improvement in the quality of refugee registration data, as well as the safe preservation through electronic means of the Agency's archive of 16 million family file documents. UNRWA was also reviewing some of its registration procedures and criteria, with a view to enabling the registration of descendants of female refugees married to non-refugees.

24. In addition to its traditional services, the Agency continued to promote income-generation activities on two levels. One was in the overall context of its relief and social services programme and the other was as a commercial, self-sustaining and market-oriented microfinance and microenterprise programme. The latter programme expanded its operations in Jordan and the Syrian Arab Republic. In the reporting period, it provided 15,740 loans worth $12.34 million in the region. Women entrepreneurs received 31 per cent of the loans. This award-winning programme of the Agency came under great strain owing to the severe decline in economic conditions in the occupied Palestinian territory since October 2000. Despite the continuation of that economic decline, the programme was able to return to financial self-sufficiency. During the reporting period, the value of the programme's disbursements doubled.

25. The Agency has continued to implement its long-term internal reform process. Since its inception, UNRWA has continuously adapted to the rapidly changing political environment in the region, while catering to the evolving needs of Palestine refugees. The reform process focuses on improvement in the efficiency and effectiveness of the management of the Agency's resources, the cultivation of an open management culture, the strengthening of strategic planning capabilities and the expansion of and improvement in the Agency's relations with donor countries, host countries and the agencies and programmes of the United Nations system.

26. With extrabudgetary funding, UNRWA co-hosted its first major international conference since its inception, with a view to strengthening its partnerships with stakeholders. The conference, held in Geneva on 7 and 8 June 2004, identified numerous areas where a stronger and more substantive tripartite partnership among donors, host countries and the Agency could lead to improvements in the responsiveness, the effectiveness and the efficiency of the Agency's operations in providing services for the refugees. Participants at the conference rightly emphasized the importance of adequate follow-up and processes were put into place to ensure that the conference outcomes were acted upon and reflected in the Agency's further interaction with stakeholders.

27. Administration and human resources reforms within the Agency included progress in shortening the comprehensive procedures for recruitment and, in the current critical situation in the area, greater use of short-term contracts to speed recruitment and save administrative and personnel costs. In the reporting period, the Agency faced increased challenges in many of its recruitment processes as a result of Israeli restrictions to staff freedom of movement, inordinately long delays in the granting of visas for international staff and restrictions on visits to UNRWA

headquarters by prospective staff members for interviews. The streamlining of area staff allowances has reduced processing time and costs. Despite the continuing underfunding of its regular budget, the Agency undertook to abolish as of 1 August 2004 the 1999 Area Staff Rules, an austerity measure which had eroded the Agency's competitive position as regards recruitment and retention of qualified staff.

28. The UNRWA Finance Department continued its systems reform process by completing the implementation of all the modules of its new Financial Management System. In the preparation of its programme budget the Agency continued to adopt the results-based budgeting approach, linking the required resources with expected results. The key performance indicators introduced in previous years are now enabling departments to monitor their programmes more closely and to undertake periodic reviews of budget goals and their reflection in programme activities.

29. The UNRWA Audit and Inspection Department introduced a new policy on the treatment of allegations and complaints. It also launched a fraud awareness initiative to sensitize staff members on issues of fraud and corruption. The department undertook various assignments to strengthen fraud prevention and detection and set up fraud alert lines to enable individual referrals on frauds.

30. The Policy Analysis Unit focused on responsive analyses of the developing situation as it affected the refugees and the operations of the Agency. Data collection and generation, long-term strategic planning, analytical reporting and periodic assessments of the situation were pursued vigorously.

31. The Agency continued to strengthen its communications and information capacity thanks to an extrabudgetary contribution. Its communications strategy led to a significant increase in the media coverage of Agency activities and its audio-visual capacity was strengthened. UNRWA continued to improve its web site and its Arabic version was significantly expanded.

32. The Agency continued to be heavily reliant on voluntary contributions to fund its regular programme operations. During the reporting period, the Agency's donor contribution income increased from $275.79 million to $305.85 million. In December 2003, the General Assembly approved the Agency's regular budget submission for the biennium 2004-2005 at the level of $711.9 million. Donor pledges for the regular cash budget for 2004 amounted to $301.4 million by the end of the reporting period, leaving a funding gap of $28.9 million, which, it is hoped, will be covered in the remaining months of the year.

33. Even if contributions were to match the Agency's approved budget, they would still only cover levels of expenditure that are minimal in relation to refugee needs. For example, in education, the Agency's largest programme, 77 per cent of schools operate on a double-shift basis owing to a shortage of school buildings. Classroom occupancy rates continue to average 41 pupils per class and in some fields this figure rises to over 45 per class. For the immediate future, the Agency is compelled to plan on the basis of double shifts in its schools, which has adverse effects on the quality of education by reducing teaching time, eliminating extra-curricular activities and, at the same time, raising maintenance costs. Teacher salaries are at levels where the Agency is experiencing difficulties in recruiting and retaining qualified staff. Similarly, in the field of health, increasing pressures were felt, as health staff had to cope with inordinately high numbers of patients. An

increasing refugee population has also meant higher numbers of special hardship cases requiring relief. The Agency's relief and social services staff has had to deal with 61,296 special hardship case families in the reporting period, compared with 58,733 in the preceding year. These pressures have increased substantially as a result of the conditions of strife in the West Bank and the Gaza Strip.

34. Chronic underfunding of the Agency's regular programmes has had an adverse impact on the Agency's human resources and infrastructure, thus affecting the services it provides for the refugees. The financial situation requires concerted steps by donor countries to increase their contributions to UNRWA to keep pace with the increase in the refugee population, to eliminate the structural deficits in the Agency's budget and to re-establish a sound basis for its future financial viability. The preservation and further strengthening of the Agency's recognized capacity to deliver human development and to deal with humanitarian emergencies is essential if the refugees are to be provided with adequate services. To this end, UNRWA prepared a Medium Term Plan to describe comprehensively and in detail all the expected programme requirements for the coming years. A draft was presented to all stakeholders and further discussion should lead to its adoption before the end of 2004. Implementation of the plan will require considerable additional resources and is indispensable to restoring, preserving and enhancing the quality of the Agency's services in the future.

35. The Agency's operations have been sustained over the past five decades with the generous assistance not only of its major donor countries, but also of its host countries. Over the reporting period, the Agency has continued to receive the strong support of the Governments of Jordan, Lebanon, the Syrian Arab Republic as well as the Palestinian Authority in conducting its operations. Chapters V to IX of the present report provide detailed information on how the Agency has been carrying out its mandate in its five fields of operation.

36. In the occupied Palestinian territory, the living conditions of the refugees have been severely affected by the violence and the Israeli closures, destruction of institutional property and other measures against the Palestinian Authority and the population. The impact of these measures and the Agency's response to them have been described in earlier paragraphs and are detailed in chapter IV. During the reporting period, significant progress was made in solving the outstanding issue related to reimbursement of the value added tax paid by the Agency to the Palestinian Authority. The Agency's regular budget allocation for the occupied Palestinian territory was $156.9 million in 2004, compared with $154 million in 2003.

37. The largest number of Palestine refugees reside in Jordan. The majority enjoy full Jordanian citizenship, are able to work in government offices and throughout the local economy and have access to governmental institutions and developmental and other assistance. The Government of Jordan has reported expenditures amounting to $439,704,539 on behalf of Palestine refugees and displaced persons during the reporting period. This covers services such as education, rent and utilities, subsidies and rations, camp services, health care, public security and social services. The Agency's regular budget allocation for the Jordan field was $74.6 million in 2004 compared with $72.7 million in 2003.

38. Palestine refugees in Lebanon are among the most disadvantaged. They have only limited access to government services and have to depend almost entirely on the Agency for basic education, health and relief and social services. Lebanese authorities continued to restrict construction in certain refugee camps and entry of construction materials continued

to be subject to military approval, which was not always granted. Palestine refugees in Lebanon suffer from poor living and housing conditions and high rates of unemployment. New legislation aims at preventing refugees from buying immovable property and depriving them of their inheritance rights. There are similar attempts to retroactively annul the Lebanese nationality obtained by certain refugees in 1994. The UNRWA regular budget allocation for the Lebanon field was $52.8 million in 2004 compared with $50.1 million in 2003.

39. Palestine refugees in the Syrian Arab Republic continued to have full access to government services and to the labour market. The Government of the Syrian Arab Republic reported expenditures of $102,189,506 on behalf of the refugees during the reporting period. These covered education, health, housing, utilities, security, supply costs and social services. In addition, the Palestine refugee population and the Syrian Arab Popular Committees have also provided significant amounts of financial support to UNRWA emergency activities in the occupied Palestinian territory. The Agency's budget allocation for the Syria field was $28.1 million in 2004 compared with $26.8 million in 2003.

40. UNRWA maintained close cooperation with a number of United Nations agencies, including UNDP, UNESCO, the Office of the United Nations High Commissioner for Refugees, UNFPA, UNICEF, the Office for the Coordination of Humanitarian Affairs, the Office of the United Nations Special Coordinator for the Middle East Peace Process, WHO, WFP and the Joint United Nations Programme on HIV/AIDS (UNAIDS). The Agency also cooperated with local and international non-governmental organizations in its five fields of operation. In particular, it enjoys an excellent working relationship with ICRC and the Palestinian Red Crescent Society. In order to fulfil the responsibilities of the Commissioner-General as the United Nations Designated Official for the overall security and protection of United Nations staff and family members in Israel, the West Bank and the Gaza Strip, UNRWA maintained contacts with UNTSO. UNRWA also continued to participate in the multilateral aid coordination structures for the occupied Palestinian territory, facilitated by the Office of the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority. In the reporting period, UNRWA actively contributed to the strengthening and improving of mechanisms coordinating the response of the United Nations system to the humanitarian emergency in the occupied Palestinian territory, chairing the Operational Coordination Group to which the United Nations Office of the Coordinator for Humanitarian Affairs provides solid secretariat support. The Agency also participated in the drafting of the 2004 Consolidated Appeal for the occupied Palestinian territory compiled by that Office and is a member of the numerous aid coordination forums in place.

41. UNRWA entered the fifty-fifth year of its operations in 2004. By its resolution 56/52 of 10 December 2001, the General Assembly renewed the Agency's mandate until 30 June 2005. The Agency has, over the decades, become the symbol of the international community's commitment to the well-being of the Palestine refugees until a just and durable settlement of the refugee problem is achieved. Maintaining the quality and extent of the Agency's services is essential to the international community's interest in terms of its humanitarian commitment, its engagement in favour of human development and its desire to promote regional stability.

Chapter II

General developments in Agency programmes

A. Education

42. *Objectives*. The Agency's education programme has long sought to empower Palestine refugees with the requisite knowledge base and skills-set that will develop their human potential and enable them to become self-reliant, contributing and productive members of their communities. The programme has remained consistent with the identity and cultural heritage of the refugees and engenders a spirit of interdependence and tolerance towards differences among individuals and groups. It also aims to foster awareness and promotion of fundamental human rights. These objectives continued to be geared to preparing refugee pupils for the multifaceted challenges and uncertainties of a rapidly changing world and for competing successfully at higher levels of education and in the job market. The Agency's Department of Education fulfilled this mission through its four main programmes: general education; teacher education; vocational and technical education; and education planning and management.

43. *Elementary and preparatory schooling*. The basic education programme of UNRWA consists of a six-year elementary cycle and a three-year or four-year preparatory cycle, depending on the educational system of the host authorities, which UNRWA follows. There were a total of 489,644 pupils enrolled in the 2003/2004 academic year in 658 UNRWA schools in the five fields of operation. Total enrolment increased by 0.2 per cent, or 987 pupils, over the 2002/2003 academic year, though it was not evenly distributed. While enrolment in the West Bank and the Gaza fields grew by 0.24 per cent and 1.47 per cent, respectively, the Lebanon, Syrian Arab Republic and Jordan fields registered negative growth of 1.21, 0.48 and 0.85 per cent, respectively. Among other factors, these trends are explained by natural growth in the refugee population, transfer of refugee pupils from Agency schools to government schools and transfer of refugee pupils from tuition-based private schools to Agency schools. The Jordan and Gaza fields continued to account for approximately two thirds of total Agency pupil enrolment. The UNRWA school system maintained full gender parity, with 50.1 per cent of pupils being female. Under existing exchange agreements between UNRWA and the host authorities to provide schooling for pupils in remote areas, 223,265 refugee pupils were reported to have enrolled at government and private schools at the elementary and preparatory levels and 35,477 non-refugee pupils attended UNRWA schools.

44. *Secondary schooling*. UNRWA continued to offer secondary-level education in the Lebanon field in order to help Palestine refugee children overcome difficulties accessing government schools. Private schools were prohibitively expensive. There were a total of 2,334 pupils enrolled in five secondary schools in the Burj El-Barajneh, Ein El-Hilweh, Rashidieh, Baddawi and Wavel camps during the 2003/2004 academic year. According to Agency estimates, approximately 72,000 refugee students in all fields were studying at government or private secondary schools.

45. *Education infrastructure*. Increasing enrolment, the consequent need to accommodate new pupils and the drive towards improving the learning environment

has necessitated the maintenance and upgrading of the education infrastructure of UNRWA. Enrolment growth exceeds the infrastructure capacity of Agency schools. Between the 1993/1994 and 2003/2004 academic years, the number of school buildings increased by 1.45 per cent and the number of schools increased by 3.6 per cent, whereas the total enrolment increased by 23.4 per cent. Overcrowding within the Agency's education system continued, with the average classroom occupancy rate at 41.36 pupils in the 2003/2004 academic year. Occupancy continued to be highest in the Gaza Strip, at 45.36 pupils per classroom, and lowest in Lebanon, at 35.57. Many UNRWA schools, particularly those constructed in the 1960s, have become dilapidated, a problem exacerbated by the lack of sufficient funds for maintenance. The Agency continued to seek project funding for the improvement and expansion of its education infrastructure. The number of UNRWA schools increased from 656 in the 2002/2003 academic year to 663 in the 2003/2004 academic year. Newly constructed schools were larger and had adequate classroom sizes, science laboratories, libraries, computer laboratories and playgrounds. During the reporting period, the Agency completed the construction of nine school buildings, 112 additional classrooms (to avoid triple shifting and to replace unsafe or dilapidated classrooms), 31 rooms equipped for specialized activities, nine water tanks and three canteens. Seven additional school buildings, 78 classrooms and 13 specialized rooms were under construction.

46. *Double shifting*. As was the case in previous years, enrolment levels exceeded the capacity of the existing school infrastructure and construction was limited by the Agency's financial constraints. As a result, UNRWA had to continue operating schools on a double-shift basis, i.e., housing two separately administered schools in a single building. UNRWA, of course, has aimed to reduce the number of schools operating on a double-shift basis. However, despite the expanded programme of school construction since 1993 under the Peace Implementation Programme, there has been a slight increase in the rate of double shifting between the 1992/1993 academic year (75 per cent) and the 2003/2004 academic year (77.53 per cent). The education department has therefore had to maintain its policy of considering double shifting as a major planning assumption for budgetary purposes to avoid triple shifting, a development that would further reduce teaching time, exclude extra-curricular activities and increase maintenance costs.

47. *Rented schools*. Over the years, the Agency rented premises for some of its schools, mostly outside refugee camps. Such rented buildings generally lacked adequate classroom space, proper lighting and ventilation and space for extra-curricular facilities. This resulted in cramped conditions for pupils and staff and also increased costs by limiting the number of pupils that could be accommodated in each classroom. In the 2003/2004 academic year, the classroom occupancy at rented schools averaged 29.2 students per class, as compared to 43.19 students per class at Agency-built schools, owing to smaller sizes of available classrooms. UNRWA has continued to aim to replace all rented school premises with Agency-built schools, subject to the availability of project funding and appropriate plots of land. Through project funding, the Agency managed to reduce the number of rented premises by 22.34 per cent from 94 in the 1993/1994 academic year to 73 in 2003/2004. The 73 rented premises housed 110 schools, with the Lebanon and Jordan fields continuing to have the largest numbers of such schools.

48. *Education reform by host authorities*. The Agency's education programme continued to adhere to the education curriculums of the host authorities, necessitating

the introduction of changes in UNRWA school curriculums when such changes were made in host authority curriculums. The extension of the basic education cycle in the occupied Palestinian territory from nine to 10 years continued to be the most significant change. The Agency remained unable to introduce the tenth grade owing to financial constraints. In the Syrian Arab Republic, a new study plan, new curriculums and textbooks for the elementary and preparatory cycles continued to be gradually introduced. A new format for the seventh grade was introduced gradually in UNRWA and government schools. UNRWA also continued to introduce computer science for the eighth grade in its schools, following the introduction of the subject in government schools. The new Palestinian curriculum went into effect at the beginning of the 2000/2001 school year and will gradually replace the Jordanian and Egyptian curriculums in the West Bank and Gaza Strip, respectively. This gradual replacement was scheduled as follows: grades one and six for school year 2000/2001, two and seven for 2001/2002, three and eight for 2002/2003 and four and nine for 2003/2004. Other reforms in the Palestinian curriculums included: introduction of new school subjects, such as civic education and information technology, and teaching English in the first rather than the fifth grade. French is an optional language in certain schools.

49. *Remedial and special education*. The Agency's remedial and special education services are geared towards maintaining achievement levels and enabling slow-learning students and pupils with learning difficulties to benefit fully from the Agency's basic education services. Such measures for pupils continued to include remedial classes, voluntary extra class periods, audio-visual programmes, curriculum enrichment materials and self-learning kits. In the 2003/2004 academic year, these activities benefited 1,013 slow learners, 40,480 pupils classified as remedial cases, 13 blind children, 83 deaf children, 823 physically and mentally challenged children, 557 children with hearing impediments, 594 children with speech impediments, 2,193 children with visual impairments, 109 children with semi-paralysis and limb paralysis and 40 children with epilepsy. In the continued absence of sustained project funding for special education, the Agency was compelled to find ways to provide assistance for all children with learning difficulties at no additional cost by utilizing the Agency's available resources and expertise.

50. *School councils*. School councils were active in all Agency schools, with each council consisting of the head teacher (chairperson), three teachers, three members selected from the local community and three students. The councils helped maintain cooperation between the school and the local community.

51. *Vocational and technical training*. The total number of training places in the eight UNRWA vocational and technical training centres in the five fields of operation was 5,131 in the 2003/2004 academic year, an increase of only 30 compared to the previous year. At the post-preparatory level, 26 vocational training courses (23 courses of two-years' duration and three courses of one-year duration) were offered and, at the post-secondary level, 32 two-year technical/semi-professional courses were offered to trainees in a variety of technical, paramedical and commercial subjects. Women accounted for 62.7 per cent of all trainees enrolled in technical/semi-professional courses in 2003/2004. In accordance with Education Department policy, courses vary from centre to centre according to the needs of local labour markets and the availability of training opportunities at other institutions. Owing to financial constraints, the Agency again was unable to

introduce new courses or expand the capacity of the existing ones except by discontinuing old courses. In addition to the two-year training courses, Agency training centres in Jordan, the West Bank, the Syrian Arab Republic, Lebanon and the Gaza Strip continued to offer short-term training courses of up to 33 weeks' duration, organized on an ad hoc basis in cooperation with governmental and non-governmental organizations or the Palestinian Authority. During the 2003/2004 academic year, 1,387 trainees were enrolled in 36 such courses offering training in a wide variety of disciplines. During this period, UNRWA also introduced new training courses with higher post-graduation employability rates, including computer information systems, banking and financial management, word and data processing, clothing production, civil engineering, jewellery making and information technology. Training courses are open to both male and female trainees, with the exception of those given at RWTC, which is for females only. Furthermore, one Cisco regional academy was established at the Kalandia training centre, raising the number of local academies at UNRWA training centres to eight. The Department of Education seeks to improve the responsiveness of the Technical and Vocational Education and Training (TVET) Programme to market needs. To achieve this objective, the TVET Division and the training centres are all involved in establishing mechanisms strongly linked to local enterprises, industries and other institutions. One such mechanism was a newly established Advisory Team entrusted with the formulation of the training master plan aimed at developing and supervising training programmes. Two other mechanisms were the creation of consultative committees at the fields level as well as the establishment of Training Services Units at each UNRWA training centre.

52. *Education science faculties*. The three branches of the educational science faculties in Jordan and the West Bank continued to provide pre-service training leading to a first-level university degree. The four-year pre-service programme that grants university-level degrees was offered to 1,184 secondary school graduates, including 774 women. During the reporting period, 270 students graduated from the pre-service programme. Of the 235 pre-service graduates in 2001/2002 from the three education science faculties, 107 were recruited by the Agency in 2002/2003. In addition, the 75 trainees who graduated in 2002/2003 from the Siblin Training Centre were recruited by the Agency in 2003/2004.

53. *Institute of Education*. UNRWA continued to provide in-service training through the UNRWA/UNESCO Institute of Education to promote and improve the professional competencies of Agency teachers, head teachers and school supervisors. The training was implemented in cooperation with the Agency's five education development centres. In 2003/2004, the total number of teachers, head teachers and school supervisors enrolled in in-service training in the five fields was 913, of whom 731 were taking courses lasting from one to two years, while the remaining 180 trainees were new teachers appointed according to UNRWA area staff rules or converted from contract teachers. Activities related to in-service training continued to include planning, organizing and preparing training programmes together with the related training materials and audio-visual media.

54. *University scholarships*. Budgetary constraints have forced the Agency to discontinue its contribution from the general budget to the Agency's scholarship subprogramme since 1997/1998. However, the Agency continued, with project funding, to support some scholars until they graduated. In 2002/2003, the last 56 scholars graduated and the programme was phased out in June 2003. Recently, a

major donor contributed to the university scholarship subprogramme for the five fields of UNRWA operations for the period 2003-2008. Between 28 to 40 scholars will benefit from this contribution in 2003/2004 and 2004/2005. Of these, 14 Special Hardship Case scholarships will be awarded in the academic year 2003/2004. In Lebanon, UNRWA continued administering a scholarship project for 111 female Palestinian university students, which has so far enabled three female scholars to obtain degrees. Another 15 were set to graduate in July 2004. In addition, scholarships were awarded to 20 special hardship cases in the Jordan field by individual donor.

55. *Placement and career guidance*. The Agency continued to offer placement and career guidance services to Palestine refugee graduates of Agency training centres and other educational institutions to facilitate their employment. Such counselling services were offered to pupils in the Agency's preparatory schools and government secondary schools to familiarize them with the training courses available at the Agency's training centres. The Agency continued to follow the employment histories of its graduates and their career performance after the initial period of employment. Of the 2,258 graduates from UNRWA vocational training centres in 2001/2002, 1,764 (78 per cent) were employed in 2003, a 5 per cent increase from the previous year. The Agency's placement and career guidance office continued to facilitate the work of employers' recruiting teams, helped match candidates with vacancies and made candidates aware of available job opportunities. UNRWA also carried out periodic surveys of market demand in order to achieve a better match between training courses and job requirements. Based on the survey findings, new training was introduced at the vocational training centres in communication skills, computer skills and English language proficiency.

56. *Programme budget and administration*. The education programme remained the largest single area of activity in the Agency, with 18,323 education staff (including teaching and administrative staff), representing 72.8 per cent of all Agency staff (25,164), while the programme regular budget of $188.5 million for 2004 amounted to 54 per cent of the total Agency regular budget. Actual expenditure for 2003 was $184.7 million, representing 60 per cent of total Agency expenditure. In all fields except Gaza, cost-sharing contributions at prescribed rates were collected from pupils and trainees on a voluntary basis to improve facilities and equipment in schools and training centres. Overall contributions collected in 2003/2004 amounted to $1.5 million. Other forms of community support for the education programme included donations of equipment, furniture, photocopiers, tape and video recorders, overhead projectors, personal computers, printers and other equipment and supplies.

57. *Special projects*.

(a) Computer Information Technology Initiative (CITI): the UNRWA Education Department is implementing a project to upgrade technical training and management practices at the eight vocational training centres in the region. The CITI project, which was launched in September 1998 with direct aid from a major donor, still plays an important role in maintaining and upgrading the information technology infrastructure and capacity of the Agency's vocational training centres. The CITI project has contributed greatly to the establishment of information technology infrastructure at the UNRWA vocational training centres; the improvement of curriculum through the introduction of new market-relevant information technology courses and components; the introduction of an international certification programme in the field of information technology, such as CISCO and the International Computer Driving License (ICDL); the establishment of 8 CISCO academies and 8 ICDL training and testing centres in the Agency's five fields of operations; and the successful introduction of the CISCO Networking Academy Programme (CNAP) in Lebanon. The CITI project phase five (1 September 2003-31 August 2004) covers a wide range of objectives designed to support the upgrading of human resources, facilities and operational practices at the vocational training centres as well as the running of ICDL and CNAP programmes. During CITI phase five, information technology infrastructure at all vocational training centres is being upgraded to meet new training demands, introduce AutoDesk accreditation at six vocational training centres, acquire educational software packages to improve curriculum, develop a web site to promote further the placement and career guidance of UNRWA graduates, and train technical and vocational education training specialists and instructors as part of the centralized and in-field training programme to improve their technical and managerial skills;

(b) English language proficiency: recognition of the importance of strong English language skills necessary to function in an English-speaking workplace resulted in the production and distribution of an English textbook entitled *English for the Mechanical Trades*. Following a trial period, the textbook was updated and now includes three major units covering the remaining trades;

(c) The school as a focus for development: the successful application of the Agency's newly developed approach to school planning continues to be evident in all fields. Under this approach, school development teams are increasingly taking responsibility for designing strategies for staff development and the management of teaching and learning in the four fields: the Syrian Arab Republic, Lebanon, the West Bank and Jordan. However, it was difficult under the continued disruptions and closures in the Gaza field to keep to the implementation plan. Nevertheless, workshops were conducted in Gaza and there was an exchange of visits between schools to share best practices. The sensitive political situation in Lebanon remained a barrier to progress, while in Jordan and the Syrian Arab Republic, factors such as limited community participation and poverty are the challenges facing the school teams' efforts in reaching out to the community. Conversely, communities in the West Bank and Gaza fields have other more pressing priorities that divert their attention from fostering links with the school. Work on the development of a quality assurance system was progressing well. A quality assurance steering group was formed of members from all fields at different managerial levels;

(d) Improvement of vocational training courses: the Agency's technical, vocational and educational training expert, who joined in 2001, undertook the following activities: a fellowship training course on mechanical machining; a fellowship training course on welding technology; a training management cycle seminar; a workshop on "CNC Technology"; and a multimedia production entitled "What is the Training Management Cycle?".

58. *Teaching tolerance and conflict resolution*. During the reporting period, the Agency continued to implement a donor-funded project to promote concepts and principles of basic human rights, to raise awareness of the importance of tolerance and to train Palestine refugee children and youth in non-violent means of conflict resolution. Enrichment materials for students were prepared together with manuals

to assist teachers in utilizing the enrichment materials in actual teaching situations. The training of concerned staff members in the West Bank and Gaza fields on utilization of such materials had been completed and was supported by additional training for teaching staff on conflict resolution techniques. Schools in the West Bank and Gaza fields have established human rights committees and prepared plans for school activities that promote human rights awareness and conflict resolution skills and ensure children's participation in these planned activities. A school winter camp adopting human rights as its main theme was organized. A new post of school supervisor (human rights) has been established in all fields to oversee all related activities.

59. *Impact of funding shortfalls*. Funding shortfalls continued directly to hinder the programme's ability to serve the beneficiary population, resulting in reduced teacher/pupil interaction, higher workloads for teaching and supervisory staff and difficulties in hiring qualified teachers. Financial constraints also continued to limit the Agency's ability to keep up with educational reforms introduced by host authorities, widening the gap between the education systems of UNRWA and the host authorities and undermining ongoing harmonization efforts. Other funding shortfalls seriously affected the education programme by reducing maintenance allocations and by cutting allocations for vocational training equipment and supplies, resulting in deteriorating school infrastructure, and the use of obsolete equipment and supplies by vocational trainees. The 77 per cent double shifting in UNRWA schools continued to constitute a burden on the education process. In addition, UNRWA was not able to redress the problem of unsuitable rented premises for its schools. The average occupancy rate per class continued to be high at 41 per cent during the reporting period. Furthermore, lack of funding prevented the introduction of new courses in vocational training centres. The funding shortfalls also affected, inter alia, the quality of teaching and the capacity of children to learn, owing to the lack of teaching aids and equipment.

60. *Cooperation with the host authorities*. The UNRWA basic education programme continued to follow the curriculums of the education systems of the host authorities. Senior Agency education staff in all fields participated in major educational development activities of the host authorities.

61. *Cooperation with UNESCO, UNICEF and the League of Arab States*. The UNRWA education programme was run in cooperation with UNESCO, which continued to fund six senior managerial and technical posts at UNRWA, including that of Director of Education. Of the six posts, two were international and four were local. The 13th annual joint meeting of UNRWA and the League of Arab States' Council on Education for the Children of Palestine, held in Cairo in December 2003, welcomed the Agency's efforts to provide Palestine refugee children and youth with educational services, despite its financial constraints. UNRWA participated in the UNESCO Global Meeting on Decentralization in Paris from 25 to 31 March 2004.

62. *Operational constraints*. During the reporting period, the UNRWA education programme was seriously affected by the strife in the occupied Palestinian territory and in particular by Israeli measures including restrictions on movement, curfews and military operations. These measures hampered the normal functioning of schools and created difficulties for teachers and students alike in accessing schools. This was the fourth consecutive school year in which the education programme has been subject to disruption. For example, 540 Gaza students enrolled in West Bank

training centres in the academic year 2003/2004 were barred from continuing their education at those training centres because Israeli authorities refused to issue travel permits to them. Furthermore, UNRWA remained concerned about violations of Palestine refugee children's right to life, education and health. In the academic year 2003/2004, UNRWA West Bank schools recorded the killing of seven pupils between the ages of 9 and 14, 36 injuries and the detention of two 14-year-old pupils. Seventeen teachers and 14 students were still in detention. During the reporting period, restrictions on the movement of Palestinians in the West Bank imposed by the Israeli authorities resulted in the loss of 524 school-days and in the loss of 6,518 teacher days. A total of 726 instructor-days were lost at the three training centres. Some 248 additional teachers were employed by the Agency under the Emergency Appeal, 67 to replace teachers who were unable to reach their workplace and 181 to extend remedial teaching to low achievers. Several other measures were taken to ensure access of teachers to schools, such as deployment of teachers hired through the job creation programme and temporary exchanges of teachers between UNRWA schools and Palestinian Authority schools. The functioning of the Agency's education programme in the Gaza Strip was also subject to various constraints, resulting mainly from movement restrictions imposed by the Israeli authorities. Such restrictions led to approximately 465 teachers, 12 school supervisors and 29 head teachers and assistant head teachers not reaching their workplaces at various times during the reporting period. The 192,105 students enrolled in the 177 UNRWA schools lost approximately 49,634 teaching days. At the Gaza training centre, 2,465 instructor-days were lost. Since December 2000 approximately 236,405 teaching days have been lost for schools in addition to a loss of 9,132 teaching days for the Gaza training centre. Seventeen UNRWA pupils were killed and 33 students between 6 and 16 years old were injured, two of whom were shot inside their schools, during the period under review. A total of 95 pupils have been killed and 1,100 injured since October 2000. Shelling and gunfire by Israeli forces caused extensive damage to UNRWA premises. Remedial plans for low achievers and after-school activities, which were conducted from Emergency Appeal funds, were disrupted owing to Israeli-imposed movement restrictions that prevented access of students to their schools. The prevailing situation reflected negatively on students' achievements, as there was an average decline of 9.4 per cent in the four main subjects of Arabic, mathematics, English and science. The current situation of strife has also affected the psychological well-being of students who suffered from sharply increased stress levels, bed-wetting, diminished concentration and various psychosomatic ailments.

B. Health

63. *Objective*. The UNRWA health programme aims to protect, preserve and promote the health status of Palestine refugees and meet their basic health needs consistent with basic WHO principles and concepts and with the standards of the public sector health services in the Agency's areas of operation. UNRWA remained committed to health interventions consistent with the United Nations Millennium Development Goals, three of which — reducing child mortality, improving maternal health and combating malnutrition and infectious diseases — are directly health-related, while others had important indirect effects on health. Programme priorities during the reporting period continued to focus on sustaining adequate levels of investment in primary health-care services with special emphasis on maternal and

child health care and disease prevention and control, selective recourse to secondary care, emergency responses to the crisis in the occupied Palestinian territory and contributing to the process of sustainable development by improving environmental health infrastructure in refugee camps through special projects. Within the health programme, the Agency's medium-term plan for the period 2005-2009 contemplates bridging the gap between Agency standards and those of the host authorities in terms of physical facilities and human resource allocation, improving access to basic primary health-care services, improving environmental health infrastructure in refugee camps, enhancing the process of institutional capacity-building and the use of information technology, addressing unmet priority health needs with special emphasis on psychological counselling and support and early detection and management of child disabilities. The ability of the Agency to bridge the gaps in these areas would depend on the receipt of funding for the medium-term plan.

64. *Demographic and epidemiological profile of the refugees*. Owing to rapid population growth, the Palestine refugee population has a young age structure: 39.8 per cent of the population is below 18 years of age and 24.3 per cent are women of reproductive age. The ageing index of the population (population aged 60 years and over divided by population below 15 years of age) is 29.3 compared to a world average of 33.4. The total fertility rates among refugees vary from one field to another, with the lowest rates of 2.5 and 2.6 in Lebanon and the Syrian Arab Republic, respectively, and the highest rate of 4.4 in the Gaza Strip. As a result of increased literacy, generalized socio-economic hardship, increased public awareness of the need for child spacing and the wide use of modern contraceptive methods, the historically high growth rates of above 3.5 per cent among the Palestine refugees over the last two decades slowed down recently to an overall rate of 2.3 per cent. However, this trend is being reversed in the Gaza Strip since the humanitarian crisis began in the fall of 2000. In addition to the steady decline in infant, child and maternal mortality, the refugee population had shifted towards the cause-of-death pattern observed in developed countries. Similar to the population of developing countries, the refugee populations are undergoing an epidemiological transition characterized by the increased incidence of non-communicable diseases, such as cardiovascular diseases and diabetes, while also suffering the persistent threat of communicable diseases. UNRWA has also helped bring vaccine-preventable diseases under full control with no cases of poliomyelitis, neonatal tetanus, pertussis or diphtheria reported over the last decade in the Agency's area of operations. Problems of malnutrition and anaemia show signs of resurgence in the occupied Palestinian territory and problems of micronutrient deficiencies were highly prevalent in the Agency's area of operations during the reporting period. The burden of physical disabilities, mental and psychological problems, especially among children in the occupied Palestinian territory, was on the increase.

65. *Health protection and promotion*. During the reporting period, the Agency continued to place special emphasis on women's and children's health through an expanded maternal and child health programme, which is fully integrated within its primary health-care activities and offered prenatal, post-natal and family planning services, as well as assistance to women during childbirth. This assistance was provided though the Agency's hospital in Qalqilia in the West Bank and maternity units in the Gaza Strip, or by subsidizing the delivery of high-risk pregnancies at government or contracted hospitals. UNRWA also carried out growth monitoring and immunization of children below 3 years of age and preventive care to children

from 6 to 15 years of age enrolled in UNRWA schools. The Agency maintained a proactive system of maternal health assessment, surveillance and management, which provided preventive care to the majority of pregnant women and special care to women with high-risk pregnancies. The Agency also continued implementing a system of confidential inquiry of maternal deaths and conducted periodic surveys to estimate the rates and causes of infant and early child mortality. During the reporting period, UNRWA primary health facilities provided preventive care to 214,253 children below the age of three, representing approximately 90 per cent of the registered refugee population below that age, prenatal care to some 83,395 pregnant women, who accounted for approximately 68.4 per cent of expected pregnancies among refugee women of reproductive age. It also provided assistance towards delivery for 73,528 women through the Agency's maternity units in the Gaza Strip or in hospitals. Overall, 97.7 per cent of reported deliveries were attended by trained personnel and 99.2 per cent of pregnant women served by UNRWA were immunized against tetanus. The Agency also provided post-natal care to approximately 91 per cent of women who received antenatal care. The number of family planning users increased by 4.9 per cent during the reporting period, with a total number of 98,723 women using modern contraceptive methods. Anaemia levels for pregnant women and children from 6 to 24 months of age were regularly assessed as part of a strategy for providing iron and folate for prophylaxis and treatment. In addition, the Agency provided food aid for pregnant women and nursing mothers in the form of dry rations and had fortified wheat flour distributed to target groups. Consistent with WHO recommended strategy, a de-worming campaign of school children was implemented in all fields, using the one-dose highly effective anti-helminthic agent. A study on infant and early child mortality using the preceding birth technique was conducted in the five fields of the Agency's areas of operation, during the period from March through October 2003. The survey comprised a sample of 16,691 women who attended the Agency's health-care facilities to register their newborn infants. It revealed rates that compare well with studies conducted in the host countries. The overall infant mortality rate was 22 deaths per thousand live births with the highest rate of 28.1 in the Syrian Arab Republic and the lowest of 15.3 in the West Bank. However, the reference period for the West Bank was March 2001 and as such the findings do not measure the impact of the current crisis on infant and child mortality. Congenital malformations, low birth weight and prematurity were the leading causes of infant mortality and accounted for more than 52 per cent of deaths. Most of the deaths took place during the neonatal period, which represents a challenge to the health-care system, as these deaths are more difficult to prevent. In addition, an in-depth analysis of maternal mortality during the last eight years was carried out in April 2004, which revealed that almost half of maternal deaths are still due to preventable causes, such as toxaemia and haemorrhage. Studies were also under way to assess the prevalence of iron deficiency anaemia among children and women as well as to assess the knowledge and attitudes of adolescents enrolled in UNRWA schools towards healthy lifestyles, including reproductive health practices.

66. *Disease prevention and control.* During the reporting period, the Agency's continuing efforts in this regard included the control of vaccine-preventable diseases and communicable diseases of public health importance, the prevention of infectious diseases, such as HIV/AIDS, which are newly emerging in the region, the control of re-emerging infectious diseases, such as tuberculosis, and the prevention of chronic non-communicable diseases, such as cardiovascular diseases and diabetes mellitus

(see annex I, table 7). Communicable diseases which still dominate the global health agenda, namely HIV/AIDS, malaria and tuberculosis do not represent a major threat to the Palestine refugee population. Malaria has long been eradicated, with only one imported case in 2003. There were two cases of HIV/AIDS, while the incidence of tuberculosis was still very low and vaccine-preventable diseases remained well under control. Coverage of the Agency's expanded programme on immunization continued to be monitored through the rapid assessment technique, which revealed that during 2003 the target of sustaining above 95 per cent coverage of primary and booster series was attained in the fields. UNRWA remained committed to achieving the implementation of the WHO/UNICEF/Centers for Disease Control and Prevention targets for the eradication of poliomyelitis, elimination of neonatal tetanus and the reduction by half of the mortality rate of measles by 2005. The Agency also implemented the WHO directly observed treatment, short-course strategy for the control of tuberculosis. In all these activities, UNRWA was ahead of the targets and maintained close partnerships and collaborative links with the ministries of health of the host authorities, and participated in all WHO intercountry meetings of programme managers on the expanded programme on immunization, tuberculosis and HIV/AIDS. During the reporting period, the Agency provided non-communicable disease care to a total of 112,195 patients, compared to 104,742 patients in the previous reporting period, representing an increase of 7 per cent in the patient load. Agency-wide, women accounted for two thirds of the patients. This, however, did not reflect the epidemiological profile, but rather the attendance pattern at Agency primary health-care facilities. The increased burden of morbidity, disability and mortality from non-communicable diseases was of concern to the Agency. However, it remains more cost-effective to detect and manage these conditions at the primary level, thereby reducing the need to meet the high cost of treating their complications and disabling effects at the secondary and tertiary levels. The two health educational programmes on prevention of tobacco use and of HIV/AIDS, which started in 1996, were implemented as multidisciplinary activities targeting adolescents and school children. In addition, a cancer registry was established in all fields to monitor incidence and prevalence trends.

67. *Primary medical care*. Primary medical-care services comprising outpatient consultations and issuance of medical supplies were offered through a network of 122 primary health-care facilities, distributed both inside and outside refugee camps, in the Agency's five areas of operation. These services were complemented by oral health services provided through 81 dental clinics and eight mobile dental teams, 13 physiotherapy clinics and other essential support services, including 97 laboratories and 16 radiology units, all of which were integrated within the primary health-care facilities. Some 46 specialists in gynaecology/obstetrics, cardiology, chest diseases and ophthalmology provided ambulatory care to patients referred by medical officers at UNRWA health centres. During the reporting period, the Agency's general clinics handled 8.2 million outpatient medical and 0.6 million dental consultations, providing treatment to 1.8 million users out of the 4.1 million registered refugees. The utilization of UNRWA services varied from one field to another depending on ease of access to UNRWA facilities and availability of services of other providers or otherwise. The workload at UNRWA general clinics continued to be high, with an average of over 100 consultations per doctor per day Agency-wide, reaching a peak of 129 in the Gaza Strip. During the reporting period, projects were completed for rehabilitation and upgrading of primary health-care facilities in some of the Agency's areas of operation.

68. *Secondary care*. UNRWA provided assistance towards secondary care for Palestine refugees through the partial reimbursement of costs incurred for treatment at government or NGO hospitals and/or through contractual agreements with NGO or private hospitals. Secondary care was also provided directly by the Agency-run Qalqilia hospital in the West Bank. Its bed capacity was increased from 43 to 63 during the reporting period. Work was completed for the installation of a central oxygen station and upgrading of the laundry, kitchen and storage facilities. UNRWA hospitalization arrangements continued to face funding constraints. This necessitated the application of strict referral criteria, maintaining a system of co-payments by refugees and the development of a hospital management information system to monitor morbidity trends of hospitalized patients and to assess referral practices and utilization trends. In response to increased demand for secondary-care services, additional budget provisions were allocated to the Jordan field and a series of improvements to the hospitalization scheme in Lebanon were integrated within the 2004-2005 biennium budget, mainly aimed at reducing the high share of cost borne by refugees in life-saving tertiary care services. During the reporting period, a total of 56,000 patients benefited from the Agency's assisted hospitalization schemes, utilizing more than 135,000 bed-days. Access to UNRWA-contracted hospitals was seriously affected in the Gaza Strip and the West Bank as a result of closures and curfews, placing additional financial burdens on the Agency's scarce resources, which had to be met from pledges to the emergency appeals. An in-depth Agency study of UNRWA hospital services highlighted the need to implement more equitable and cost-effective policies in the Agency's five fields of operation.

69. *Environmental health*. Approximately 1.3 million Palestine refugees in 59 official camps in the five fields of operation, representing 32 per cent of the total registered population, benefited from environmental health services provided by UNRWA in cooperation with local municipalities. Services included sewage disposal, storm water drainage, the provision of safe drinking water, the collection and disposal of refuse and the control of insect and rodent infestation. The Agency continued to play an active role in the planning and implementation of large-scale projects for the construction of sewerage, drainage and water networks in camps and the upgrading of solid waste collection and disposal facilities through mechanization. Through its special environmental health programme, which was established in 1993 in the Gaza field, the Agency conducted detailed feasibility studies and implemented projects estimated at $22.9 million. During the reporting period, the programme completed various infrastructure projects in camps amounting to $4.4 million, while ongoing projects amount to $8.2 million. The first stage of the Gaza shore protection project was also completed and the programme played a major role in the emergency job creation programme as well as in infrastructure projects, such as water, waste water, storm-water drainage, electricity and roads, for the rehousing of families whose shelters were destroyed. Pending availability of funds, projects estimated at $14.36 million will commence.

70. *Budgetary and human resources*. According to WHO analyses of the finances of health-care systems worldwide, the annual per capita spending on health in low-income countries ranged from $2 to $50. Average expenditure by the Agency on health in 2003 was estimated at $14.6 per refugee. Even if the most conservative estimate of the number of actual users of UNRWA health services were considered, in 2003 the per capita allocations on health activities was less than $20. In spite of the comparative modesty of this budget, the Agency was able to provide

comprehensive health services comprising outpatient medical care, laboratory and radiology support services, maternal and child health, family planning and school health, disease prevention and control, dental care, physical rehabilitation and hospitalization services complemented by environmental health services in camps and food aid to vulnerable groups. The Agency's health services were cost-effective by regional and international standards; moreover, programme achievements place it closer to those of middle-income countries, which, according to WHO, spend from $75 to $550 per capita. This large disparity between financial resource allocations and health outcomes can no longer be sustained if Agency income does not increase at rates commensurate with population growth, steady inflation, changes in the demographic and epidemiological profile of the refugee population (including increased life spans and a rising burden of non-communicable diseases) and changes in health needs and priorities. Of concern were the difficulties encountered in retaining and recruiting professional health staff, especially in the senior managerial category, both in headquarters and the fields, because UNRWA conditions of service were not competitive. The 2004-2005 results-based budget allowed for a 6 per cent increase in allocations for health over the 2002-2003 approved budget, but this modest increase can hardly sustain services at the current level, let alone address unmet health needs. In spite of the limited resources allocated to the programmes, the review of the 2002-2003 budget revealed that with few exceptions, all contemplated targets were achieved or exceeded. Approximately 56 per cent of cash allocations to the health programme were devoted to the costs of over 3,600 locally recruited health staff Agency-wide, who implemented all core programme activities. The number of available staff continued to fall below those required to meet increasing needs, and far below the standards maintained by the host authorities. In spite of intensive investment in staff training and development, the capacity of the staff continued to be stretched to the limit. Should the current trends of underfunding continue, the quality of services could deteriorate and the Agency's achievements in primary health care could be compromised, especially in the occupied Palestinian territory, where there was a more than 60 per cent increase in utilization of the Agency's general clinic services over pre-crisis levels. In order to minimize the adverse consequences of staffing shortages, special emphasis was placed on enhancing the knowledge, skills and capabilities of professional staff through in-service training. During 2003, a total of 7,657 man/days of training were provided to medical, nursing and paramedical personnel in the Agency's areas of operation. Consistent with the United Nations Millennium Development Goals, special attention was given to issues relating to gender mainstreaming, including providing equal opportunities for employment of women. Women specialists employed in the health programme accounted for 28.4 per cent of the Agency's health specialists, dental surgeons and pharmacists for more than 20 per cent and approximately 40 per cent of paramedical staff were women.

71. *Monitoring and evaluation*. The Agency carries out periodic reviews of the various components of the health programme in order to evaluate system performance, assess the appropriateness, relevance and cost-effectiveness of the approved intervention strategies and define the future direction of the programme based on analysis of needs and priorities. Owing to the limited resources available to the programme, these self-evaluations were carried out building on the technical expertise that exists within the programme. During the reporting period, a review was made of the Agency's medical-care programme, which covered assessment of the trends in utilization of medical supplies, productivity and efficiency of

laboratory and oral health services, cost-analysis and trends in utilization of hospital services and a study on antibacterial resistance to commonly used laboratory isolates. In addition, an Agency-wide study to estimate infant and early child mortality, and to assess mortality patterns and causes of death, was completed during the reporting period. An in-depth analysis of maternal deaths reported during the period 1995-2002 was also undertaken and study protocols were prepared to assess the prevalence of iron deficiency anaemia among women and children, the knowledge and attitudes of adolescents enrolled in UNRWA schools and the current prescribing practices of antibacterial drugs. Furthermore, a study was completed during the reporting period on the impact of the current humanitarian crisis in the occupied Palestinian territory on people and services and a household survey was conducted in all 12 refugee camps in Lebanon to study the demographic characteristics, housing and sanitary conditions, employment conditions, physical and mental disabilities, smoking habits and utilization of and satisfaction with the services of health-care providers. This study revealed that UNRWA was the main provider of primary health care to the refugees. In addition to these self-evaluations and surveys, the Agency completed the design of the new management health information system, which aims at improving surveillance, monitoring and evaluation of maternal health and non-communicable disease services and improving action-oriented interventions and response at the service delivery level. Of the 122 primary health-care facilities run by the Agency, 86 were provided with computers and other related equipment through project funds and staff were trained on use of information technology for processing and interpreting data. The scope of this project, which was originally pursued in collaboration with the Centers for Disease Control and Prevention in Atlanta, the United States of America, has been expanded to cover other programme areas, including a medical supply management information system and a hospital management information system. Also a centre-by-centre assessment was conducted in all primary health-care facilities in the five fields, to assess the pattern of resource allocations and patient flow and assess the needs for redeployment of human and material resources. These initiatives helped to enhance the skills and capabilities of staff at the service delivery level and helped to provide evidence-based information guiding management decisions. On top of these self-evaluations, during the reporting period WHO/Eastern Mediterranean Regional Office (EMRO) approved an Agency request to conduct a comprehensive review of the Agency's health-care programme in the five fields of its area of operations. The review is expected to assess, inter alia, the UNRWA maternal and child health and disease control programmes, human and financial resource management and management health information system. The last WHO review of the UNRWA health-care programme was conducted in all fields, except Lebanon, in 1986.

72. *Cooperation with host authorities*. UNRWA had historically maintained close working relationships with the public health departments of the host authorities. Senior UNRWA health staff in the Gaza Strip and the West Bank enjoy membership in all technical committees established by the Ministry of Health of the Palestinian Authority to review practical aspects of health policy and to coordinate action in the health sector, and senior staff in Jordan took part in all health-services planning and development activities organized by the Ministry of Health. UNRWA also participated in the work of national committees on nutrition and food, which formulate policies and strategies on food security and micronutrients. Meantime, the Ministry of Health in Jordan provided UNRWA with its requirements of contraceptive supplies used in the family planning programme and vaccines used in

the expanded programme on immunization as in kind contributions. In the Syrian Arab Republic, the Ministry of Health continued to meet UNRWA requirements of vaccines that are not programmed by UNICEF, such as hepatitis-B and haemophilus influenzae type b (Hib) vaccines as in kind contribution. The Ministry of Health of the Palestinian Authority provided all vaccines included in the expanded programme on immunization in the Gaza Strip and the West Bank as in kind contributions to UNRWA. In all fields, the Ministries of Health met UNRWA requirements of anti-tuberculosis drugs and provided advanced laboratory facilities for surveillance of vaccine-preventable diseases and HIV/AIDS. UNRWA also participated in all national immunization days and catch-up campaigns organized by the host authorities.

73. *Cooperation with WHO and other United Nations agencies*. Since 1950, under the terms of an agreement with UNRWA, the World Health Organization has provided technical supervision of the Agency's health-care programme through the sustained support of EMRO and the cooperation of staff from WHO headquarters as well as by assigning to UNRWA headquarters, on non-reimbursable loan, WHO staff members, including the Agency's Director of Health. WHO/EMRO also continued to cover the salaries and related expenses of division chiefs at UNRWA headquarters. Within the same framework, thematic subgroups on nutrition, mental health, health management information and reproductive health have been established. The Agency also maintained close collaborative links with other United Nations organizations especially UNICEF, with which UNRWA cooperated on the Integrated Management of Childhood Illnesses plan. UNICEF also continued to meet UNRWA requirements of vaccines and cold-chain supplies for the six major vaccine-preventable diseases in Lebanon and the Syrian Arab Republic. In addition, collaborative links were maintained between UNRWA and UNICEF country offices in Jordan and Syria for coordination of health promotional activities, staff development and provision of medical equipment/supplies. UNRWA also maintained a system for exchange of information on compatible areas of work with UNFPA and UNAIDS. During the reporting period, UNICEF conducted two studies on injection safety and immunization services of all care providers in the Gaza Strip and the West Bank, including UNRWA, and carried out a survey to assess the seroconversion rates to measles vaccine.

74. *Impact of the emergency situation in the occupied Palestinian territory on the health programme*. The state of unrest and violence, wide-scale unemployment and obstacles to humanitarian access led to increased poverty rates and deterioration of the health and nutritional conditions of the population, in general, and of refugees, in particular. The Food Security Assessment in the West Bank and Gaza Strip conducted by FAO in collaboration with WFP concluded that access and affordability are limited owing to physical reasons (restrictions on movements) or economic reasons (high unemployment, exhaustion of family resources and coping strategies and strained social support networks). Some 1.4 million (approximately 40 per cent of the population of West Bank and Gaza Strip) were found to be food insecure and a further 1.1 million (30 per cent) were deemed under threat of becoming food insecure should current conditions persist. Furthermore, according to a July 2003 joint study by Save the Children United States and the Secretariat of the National Plan of Action for Palestinian Children, 90 per cent of parents reported that their children exhibit traumatic stress-related symptoms. A major reason of concern in the West Bank was the decline in immunization coverage of infants below 12

months of age with primary series in certain localities falling to levels below the sustained coverage of over 95 per cent. Although not dramatic, the sudden decline in immunization coverage for the second year running for a programme which maintained close to full coverage over several years is a cause for concern. Even more serious is the risk of cross-border outbreaks, especially measles and, possibly, poliomyelitis. In evidence, an outbreak of mumps started early December 2003 in a refugee camp in the Nablus area, which spread to five refugee camps and adjacent localities. The results of a sero survey conducted by UNICEF in December 2003 revealed that about one third of previously immunized children below five years in the West Bank and Gaza Strip were not immune against measles. More than 85,000 children were vaccinated by UNRWA in the Gaza Strip and the West Bank. The Ministry of Health of the Palestinian Authority in consultation with WHO and UNICEF decided to launch a mass measles campaign and distribution of vitamin A to all children below five years of age. The campaign was started on 26 May 2004, with the full participation of UNRWA. A further challenge to the Agency's health services were closures and curfews which continued to prevent health staff from reaching their places of work. In total, there were 2,416 staff days lost by UNRWA health personnel in the West Bank during 2003 owing to closures, curfews and restrictions imposed on staff movements. Coupled with the breakdown in the lines of direction/supervision and disruption of staff training and development activities, the loss of man/days, which comes on top of the sustained increase in demand for UNRWA medical services, started to affect service quality, especially in the West Bank. Throughout 2003, the Government of Israel continued the planning and construction of a wall/fence on the West Bank. According to the United Nations Office for the Coordination of Humanitarian Affairs, 274,000 Palestinians living in 122 communities will be isolated between the wall/fence and the Green Line or in fenced-in enclaves. In addition to constraints on Agency facilities and services located in these areas, the wall/fence will increase access problems for refugees entering and leaving the enclaves and for UNRWA mobile clinics and distribution teams that may require special entry permits to pass through the gates to conduct the Agency's regular and emergency programmes within these enclaves. Already, UNRWA medical and distribution teams have been denied access to affected villages in the Qalqilia and Tulkarm areas. Prior to the current crisis, the UNRWA hospital in Qalqilia provided care to a large number of refugees throughout the northern areas of the West Bank and the bed occupancy rate was 67.5 per cent. As a result of restrictions on movements, including curfews and closures and more recently the construction of the wall/fence around the city, this rate has fallen to only 43.5 per cent. There are also major concerns that completion of the process of construction of the wall/fence around Jerusalem will result in similar problems owing to inability of patients requiring emergency care to access non-governmental hospitals in East Jerusalem, including those contracted by UNRWA to provide services. In August 2003, a WHO survey revealed that more than 50 per cent of survey respondents had to change their health-care provider facility and that in 90 per cent of these cases the change was due to restriction of access. In addition, the relative declining trend in total fertility rates, owing to the impact of the Agency's family planning programme in the Gaza Strip, started to be reversed since the current crisis. According to the Economic and Social Commission for Western Asia, physical damage to the occupied territory water and waste-water sector from Israeli military actions is valued at about $140 million. With the wall/fence, Israel will effectively annex most of the western aquifer system, which provides 51 per cent of the West Bank's water resources. The Agency responded to these challenges by securing additional medical supplies and equipment, allocation of additional budgets to meet the increased demand on hospital services and recruitment of additional staff to offset the heavy workloads owing to the increased demand on UNRWA services. It also operated five emergency medical teams in the West Bank to improve access to health services of the refugee population in remote and closed areas and maintained a programme of psychosocial counselling and support targeting at-risk groups in the Gaza Strip and the West Bank.

C. Relief and social services

75. *Objectives*. The mission of the relief and social services programme is to provide humanitarian assistance to Palestine refugees who suffer from acute socio-economic hardship, to reduce poverty within the refugee community and to promote self-reliance among its less-advantaged members, in particular women, youth and disabled persons. In addition, the programme serves as a custodian of the historical refugee records, commonly referred to as "family files", which it updates and maintains in order to determine eligibility for all UNRWA services.

76. *Refugee registration*. There were 4,186,711 Palestine refugees registered with UNRWA as at 30 June 2004, an increase of 2.56 per cent over the 30 June 2003 figure of 4,082,300 (see annex I, table 1). Approximately 68 per cent of the registered refugee population was living outside the 59 officially recognized refugee camps at 30 June 2004. The largest proportion of refugees was registered in Jordan, with 42 per cent of the Agency-wide total, the Gaza Strip, at 22.41 per cent, the West Bank, at 16.13 per cent, the Syrian Arab Republic, at 9.98 per cent, and Lebanon, at 9.48 per cent. Of the registered population, 43.54 per cent were 19 years of age or under, 46.33 per cent were between 20 and 59, and 10.13 per cent were 61 years of age or above. A total of 257 refugee families entered into the official registration system during the reporting period. Several pending inquiries regarding eligibility for registration and services were addressed. Following an extensive review, the Commissioner-General approved the registration, on a case-by-case basis, of persons belonging to the Al-Ghaname and Al-Baqqara Palestinian refugee tribes in the Syrian Arab Republic. In coordination with UNHCR and in an effort to gauge the eligibility for refugee status and living conditions of Palestinians in Iraq, an assessment mission was undertaken by the Relief and Social Services Department staff in August, 2003. The team recommended that UNRWA register the Palestine refugees located in Iraq and provide them with basic services. Some 50,900 requests for verification of refugee status were processed in response to inquiries from host authorities as well as government officials outside the UNRWA area of operations. As per previous years, field registration staff continued to consolidate all the data pertaining to registered refugees in the family files through the amalgamation of ex-codes within each family file. This effort aims to integrate the records of an original 1948 refugee family with all the other documents related to the nuclear families that descended from it over the succeeding generations. To date, the amalgamation process has been completed in the Syrian Arab Republic, Lebanon and the Gaza Strip, and 14 per cent of records in the West Bank were being amalgamated during the reporting period. This process will begin in Jordan when the family files are digitally scanned. UNRWA has also been grappling with the issue of registration criteria, especially as regards the case of female refugees

married to non-refugees, and their descendants. The Agency's rules have until now excluded their descendants from registration and hence from all the services afforded to refugees. These rules are a throwback to an era when various elements of personal law tended to favour male lineage. Since then, however, these norms have shifted considerably. Moreover, the international community has since spawned a number of international conventions, resolutions, world conference declarations and programmes of action which promote the gradual elimination of all forms of discrimination against women at the local, national and international levels. Furthermore, the Agency is of the opinion that the continued application of its registration rules is unfair and unfounded, as the status of refugees should not be based on such considerations and discrimination between males married to non-refugees vs. females married to non-refugees is unjustified. The rules are also inconsistent with the Agency's policies in other areas: for example, UNRWA is proud to have attained full gender parity in its schools and its full gender equality is a fundamental tenet of the Agency's staff rules and regulations. As a result, the Agency has decided to undertake a review of these procedures with a view to enabling descendants of female refugees married to non-refugees to register with UNRWA. The Agency estimates that this could potentially benefit approximately 340,000 persons, but expects that a significantly lower number will actually wish to register. Of those who will register, not all will be interested in availing themselves of the Agency's services. As a result, the quantitative impact of this modification in the registration rules on the Agency's operations is considered to be manageable.

77. *Unified registration system*. Significant progress was made during the reporting period towards the two major objectives of the Palestine Refugee Records Project, namely, the redesign of the entire computerized registration system of the Agency (currently containing biographical data of 4.1 million registered refugees) and the scanning and preservation of the estimated 16 million historical refugee documents stored in the Agency's family files. An Advisory Board was established, a project management team hired and an extensive business analysis completed. Pilot scanning commenced and outsourcing of software development for the new Refugee Registration Information System was initiated. Funding for the $6.6 million budget was pledged. Project objectives were expected to be achieved by 2008. Separately, the Unified Registration Unit at Amman headquarters continued to provide technical support to field staff on the current field registration system as well as the field social study system. The Unit, in coordination with the Social Service Division, developed a computerized management and reporting tool for improved planning and reporting, to be used by community based organizations. The community-based organization system was installed as a pilot at the Jordan field office at the end of June 2004.

78. *Special hardship programme*. This programme continued to target the most impoverished refugee families and focused on providing them with a minimal "safety net" of survival support. The number of persons enrolled in this programme increased by 5.95 per cent over the previous reporting period, while the number of ration recipients increased by 3.06 per cent (see annex I, table 3). The Agency revised the Relief Services Instructions to speed up service delivery through decentralization of approving lines of authority for special hardship case assistance and to address gender inequities by assisting children of registered widowed, divorced and abandoned women who were married to non-registered persons, if the family was living in poverty. The Agency also addressed special hardship families

headed by elderly females or single women (widows, divorced or deserted). Special hardship case assistance included a range of responses from basic food support to shelter repair or reconstruction, selective cash assistance and/or preferential access to other UNRWA services, such as training in the vocational training centres administered by the Department of Education. Some 745 special hardship case family members (481 males and 264 females) were enrolled in the vocational training centres during the reporting period in an effort to ensure at least one family member obtained marketable skills. The special hardship programme's food and cash support component accounted for 83.8 per cent of the relief and social services annual budget. The special hardship cases represented 5.9 per cent of the total registered refugee population. UNRWA was unable to assist a higher percentage of the population living in poverty in spite of the fact that the overall poverty rates for refugees and non-refugees reached 75 per cent in the Gaza Strip and 60 per cent in the West Bank. The percentage of clients enrolled in the programme as a proportion of the field's total refugee population continued to be highest in Lebanon, at 11.66 per cent, with the Gaza Strip at 8.87 per cent, the Syrian Arab Republic at 7.50 per cent and Jordan at 2.66 per cent. Families headed by the destitute elderly accounted for 40.2 per cent of special hardship cases, followed by those whose breadwinner was incapacitated and incapable of earning a sustainable income for medical reasons (22.3 per cent) and families headed by a widow, divorcee or deserted female (19.3 per cent). Even though 16.96 per cent of households in the refugee population were headed by females, female-headed households accounted for 46.18 per cent of the special hardship families, illustrating the feminization of poverty. Social workers and senior staff continued to make home visits to check on the welfare and status of special hardship case families. A total of 5,289 families exited the programme when they were no longer eligible for the continuation of benefits.

79. *Food support*. Some 61,296 families, comprised of 246,907 members, were provided with quarterly cash subsidies in combination with food commodities, including flour, sugar, vegetable oil, whole milk and, in Lebanon only, red lentils. The total value of the food support package, combined with cash subsidies, was approximately $107 per person per annum and provided the equivalent of only 15 per cent of monthly poverty-line income measured by the World Bank to be $60 per person per month. The total number of rations distributed during the reporting period was 910,616. Babies under one year of age did not receive rations and pregnant and nursing mothers received food support through the health programme. During the reporting period the responsibilities for ensuring quality food standards, storage and handling, were transferred to the Health Department, in tandem with the outsourcing of food-safety testing by the Procurement and Logistics Division. A network of 58 fixed distribution centres (in areas of high density refugee populations) and 123 mobile distribution points in more remote areas facilitated access to food and cash assistance; they also provided the infrastructure for separate emergency food assistance in the West Bank and Gaza Strip, targeting more than 200,000 non-special hardship case families. The latter required the hiring of additional staff, including 146 social workers and 8 registration clerks in the two fields.

80. *Selective cash assistance*. Insufficient Agency resources permitted only $500,000 to be allocated as cash assistance during the reporting period, well below the $2.9 million peak in 1996. Lebanon was allotted, on an exceptional basis, $459,800 for calendar year 2004, compared to the $93,277 normally allotted in

previous calendar years, owing to the high unemployment rate among registered and non-registered refugees and the acute socio-economic hardship affecting the refugees there. While selective cash assistance was primarily directed to special hardship case families, any refugee family facing an emergency situation was eligible for this one-time aid. It was provided, inter alia, to assist in case of flood or fire, to do minor shelter renovations, to supply emergency heating fuel to the destitute, to provide limited financial support to a family that had suddenly lost a head of family/wage earner, or to enable a child to attend school through the purchase of supplies or clothing.

81. *Shelter rehabilitation*. Shelter repair and reconstruction continued to be carried out through extrabudgetary funds, enabling the rehabilitation of a total of 178 shelters during the reporting period, compared with 711 in the previous reporting period. This decrease is mainly due to lack of funds. The 178 rehabilitated shelters represented 1.2 per cent of the estimated need, as past surveys have indicated 25 per cent of special hardship case families live in sub-standard housing. As in previous years, rehabilitation was achieved either through a self-help approach, with the Agency providing financial and technical assistance and families arranging volunteer labour, and/or through subcontracting, including small camp-based contractors, thereby creating much-needed employment within the refugee community. A total of 12 shelters, representing 6.7 per cent of the total number of shelters repaired or reconstructed, were completed on the basis of a self-help approach, while the remaining 93.3 per cent were completed on the basis of standard Agency-administered contractual arrangements. First priority for intervention was given to structurally unsafe housing, with unhealthy or unhygienic housing causing medical problems and social considerations (such as severe overcrowding) taking second and third priority, respectively. Beyond the scope of the regular programme, UNRWA, in cooperation with the Syrian authorities, is undertaking the Neirab Rehabilitation Project to improve the living conditions and livelihoods of some 6,000 refugees in what it hopes will constitute a model pilot of a more integrated and comprehensive approach to camp upgrading. Additional demands were made on the Agency for rehousing 2,093 families rendered homeless owing to the continued demolition of houses by the Israeli military in the West Bank and Gaza Strip. A total of 735 homes were repaired or rebuilt in Gaza during the reporting period and 366 were rebuilt or repaired in the West Bank. The Agency continued rehabilitation of Jenin camp with a grant of $27 million from the United Arab Emirates Red Crescent Society. Progress was slowed by prolonged closures and Israeli military incursions. In an effort to coordinate practice more closely in all fields on all forms of shelter rehabilitation, an Agency-wide policy was developed to provide guidance on the major aspects of shelter intervention, such as various technical standards, intervention methodologies, target groups and the role of refugee participation. As a result, the aided self-help approach was instituted in the latter part of the reporting period, whereby special hardship case housing will now be implemented directly by the Agency, with the families assuming responsibility for all the finishing.

82. *Social services*. Multiple opportunities for disadvantaged refugees to better their living standards and well-being were created throughout the region through a network of 102 community-based organizations whose activities were supported by UNRWA. During the year the number of community-based organization administrative committees reached 98, comprised of 586 members, with an additional 1,877 volunteers contributing to the work of the centres. Training

activities contributed to the updating of the development concepts and practice of the social services staff and volunteers, with increasing emphasis on utilizing participatory approaches in the planning and implementation of the centres' activities. These activities were designed to address priority needs of women, children, youth and disabled persons, providing a range of targeted services for camp residents as well as the wider refugee community. Community-based organization administrative committees in the five fields successfully applied the Management Standards as an evolving tool to improve their managerial and operational performance. To further their sustainability and create jobs, many community-based organizations established their own income-generation projects. During this reporting period, community-based organization income-generation projects totalled 167, yielding 437 job opportunities for local refugees.

83. *Microcredit community support programme (MCSP).* Following an extensive evaluation of the poverty alleviation programme/income generation programme (PAP/IGP), major reform was implemented with the promulgation of a policy for subsidized credit offerings, reformulation of existing PAP/ICP credit products and development of procedures to guide field operations. The programme, which was renamed the microcredit community support programme, complements the microfinance and microenterprise programme, builds on existing relief and social services programmes and structures, targets new clientele and seeks to enhance the capacity of mature community-based organizations to offer and manage their own credit operations. In cooperation with the Community Habitat Finance, a market survey was conducted in Jordan and the Syrian Arab Republic in 2003. On the basis of the survey results, a new credit product, Housing Improvement Loans, was piloted in two camps in early 2004, targeting non-bankable clients who require $3,000 or less for housing improvements. Some 73 loans were issued in the amount of $82,588 by the end of the reporting period. Soft loans, which were issued as a grant and loan combination, were introduced to gradually replace the Self-Support Project (SSP) and solely targeted special hardship families. During the reporting period, the total number of SSP/soft loan loans was 28, amounting to $121,125, which enabled 15 families to separate from the special hardship case rolls. Small-scale enterprise loans totalled 201, amounting to $676,730. In addition, "indirect" lending was operated through community-based organizations. Group-guaranteed lending, which targeted women only, issued 594 loans through 128 groups comprised of 666 women, amounting to $315,414. The apprenticeship training programme in the West Bank served 1,370 refugees and was recently introduced in two camps in Lebanon serving 48 refugee members of special hardship families. Thirty-five enrolees received training and were then placed in businesses for three months where they gained practical work experience.

84. *Women's programme.* The 64 Women's Programme Centres (WPCs) continued to play a pivotal role in enhancing the active participation of refugee women in the development of their communities. During the reporting period, 2,457 awareness sessions and workshops were held on topics such as good parenting, early childhood development, healthy lifestyles and HIV/AIDS, causes of poverty, environment and gender, benefiting 46,179 participants. Skills training aimed at increasing job opportunities for women continued to be a major activity of WPCs. Traditional skills, such as sewing, knitting, embroidery, hairdressing, food preparation and catering, remained at the forefront of many WPC offerings. However, many WPCs have introduced more technical training in computers and photography. During the

reporting period, 15,943 benefited from skills training and 23,263 availed themselves of other WPC services, such as psychosocial and legal counselling services, fitness classes, aerobics, recreational and social programmes, and the microcredit community support programme subsidized credit opportunities. The 41 kindergartens and 27 nurseries, run by trained community volunteers, provided a much needed service for working mothers and encouraged others to participate in ongoing activities of the WPCs. A total of 4,341 children benefited from these facilities during the current reporting period.

85. *Disability programme*. In coordination with the Agency's Health and Education departments, the programme was administered by refugees through a network of 38 community rehabilitation centres. A total of 24,903 disabled persons and their families benefited from the specialized services provided by community rehabilitation centres. These services included centre or home-based rehabilitation, referrals to specialists or vocational rehabilitation programmes, awareness raising, toy libraries and recreational camps that included both able-bodied and disabled children. Through the community-based approach, family members of the disabled were taught how to cope with their challenging situation in the home environment. In cooperation with the Agency's health programme, 967 prosthetic devices were issued. In addition, 132 shelters were modified, easing mobility of the disabled. Integration of physically challenged students remained one of the key objectives of the disability programme. As a result of continued coordination and cooperation with the UNRWA education programme, 628 children with various disabilities were successfully mainstreamed into regular schools in all fields and 544 hearing impaired students received schooling through five specialized community rehabilitation centres in Gaza. The disability programme was expanded in the Syrian Arab Republic through the establishment of a community rehabilitation centre in Ein Al-Tal camp and a cerebral palsy unit was added to the Jenin Camp community rehabilitation centre.

86. *Children and youth activities*. Children and youth from communities afflicted with high poverty rates were given the opportunity to participate in activities such as skills training, sports and physical-fitness classes, theatrical and musical performances, and camp clean-up campaigns, benefiting a total of 68,206 persons. The "Cultural and Social Development" project in Marka camp in Jordan was one example of innovative activity involving children and youth. Based on the results of research conducted by Oxford University in 2001, a web page was established in Marka that allows refugee children from various parts of the world to communicate with each other and share their views and concerns. Furthermore, training in digital story telling later enabled the children to produce a CD expressing their hopes and aspirations for the future.

87. *Capacity-building*. During the reporting period, the programme made further progress in developing the human resources of staff and volunteers. Various staff received external training on a range of topics including humanitarian assistance, credit and savings models offered to the underserved poor in India, and current issues in microfinance. Staff were also involved in the microfinance Network of Arab Countries. In addition, staff attended the First Arab-Africa Conference for the Care and Rehabilitation of the Handicapped, as well as the regional training workshop on "Gender and Organizational Change in the Middle East/Maghreb Context". In addition, a total of 31 mid-management and programme officers benefited from a variety of training courses as related to their functions; a total of 87

social workers participated in various training courses, including community-based organization management standards training; 89 staff and volunteers received technical and English language training and 986 volunteers benefited from the training courses related to community development. A social work professor from Southern Illinois University assessed the technical needs of social workers through desk and field visits and initiated the design of a certified education programme for the systematic training of social workers in all five fields.

88. *Constraints*. During the reporting period, restrictions on movement and closures imposed by Israeli forces in the West Bank and Gaza, combined with ongoing strife, seriously affected programme services in those fields of operation. Poverty and unemployment rates were high, which increased demands on the special hardship assistance programme. The Agency's relief and social services programme was unable to meet many of these demands in full. A large number of refugees could not afford to utilize community-based organization activities or courses, which also undermined the financial sustainability of those organizations. Underfunding of the Agency's Emergency Appeals for the occupied Palestinian territory resulted in a reduction of urgently needed assistance. Moreover, resourcing core programme activities through extrabudgetary funding imposed an additional burden on staff and made long-term planning more difficult. Furthermore, the ceiling set for the number of families who could be assisted by the special hardship case programme was quite rigid and had to be strictly enforced owing to lack of sufficient funding. This, along with the absence of extrabudgetary support for core relief and social services programme responsibilities, such as shelter rehabilitation, curtailed the ability of the programme to assist the poorest refugees in the Agency's five areas of operation. During the reporting period, staffing also continued to be a concern, as the 1999 Area Staff Rules salary scale was not competitive in local job markets, threatening the ability to recruit appropriate staff, in turn impeding the ability of the division effectively to deliver programme services. It was expected that the Commissioner-General's decision in early 2004 to rescind the 1999 Area Staff Rules with effect from August 2004 would, over time, resolve difficulties in recruiting and retaining qualified staff.

89. *Programme budget and administration*. The regular budget for the relief and social services programme for the biennium 2004-2005 stood at $69.8 million, representing 10 per cent of the overall Agency budget. For the biennium 2002-2003, actual expenditure was $57.0 million against the budgeted amount of $68.5 million. The largest share of the relief and social services programme budget, 86.7 per cent, was allocated to assisting special hardship families. These services were delivered primarily by 291 social workers, who represent the single largest segment (41.16 per cent) of the department's staff of 707. The average caseload of social workers, at about 262 cases per year, was brought in line with the recommended norm of 250 cases per year.

90. *RSSP Development Plan 2004-2008*. The Relief and Social Services Department completed a five-year development plan (2004-2008), which established the medium-term goals and strategies of the Department. The plan was consistent with the United Nations Millennium Development Goals and relevant international conventions on human, social and economic rights. The plan focuses on four major objectives: combating poverty of the poorest Palestine refugee families; promoting social inclusion and strengthening of community assets; upgrading of housing and social infrastructure in the refugee camps and gatherings; and developing refugee

registration records and socio-economic databases of the refugees and their communities.

91. *Gender mainstreaming*. During the reporting period, regional and field-based training on gender mainstreaming was conducted. The division identified a gender focal point in each field and was able to develop a field-based core group of trainers comprised of 12 staff members, both male and female. During the reporting period, an international gender expert funded by a major donor began assessing the Agency's activities to assist in the establishment of a gender mainstreaming strategy. A gender task force was formed to plan and monitor implementation of future gender mainstreaming activities and ensure compliance with the overall Agency gender strategy under development. The task force was also assigned to review the Relief Services Instructions in order to identify and make recommendations related to possible gender gaps. Newly developed reporting formats will provide gender disaggregated data to establish gender baseline data, which will lead to better planning, monitoring and evaluation.

92. *Cooperation with host authorities and NGOs*. A joint UNRWA/UNHCR meeting was organized to enhance cooperation between the two agencies and discuss the role of UNHCR with regard to Palestine refugees living outside the UNRWA area of operations, particularly Palestine refugees residing in Iraq. Both agencies also shared information regarding the new UNHCR global refugee registration system as well as the refugee registration information system under development by UNRWA. The Palestinian Authority made available to the Agency a total of 13.285 dunums of land in Gaza City and the northern area of the Gaza Strip, valued at $398,550, in order to rehouse 59 families rendered homeless by the Israeli military. The Syrian Arab Republic contributed to physical and social infrastructure needs for the Neirab rehabilitation project, valued at $5 million. In Jordan, Queen Rania Al-Abdullah donated computers to the Irbid Community Rehabilitation Centre in recognition of the centre's work for the community. The Department of Palestinian Affairs provided community rehabilitation centres in Jordan with cash and in kind support. During the reporting period, the relief and social services programme, as well as the community-based organizations, continued to partner with a variety of governmental and non-governmental bodies and relevant United Nations agencies resulting in various field-level agreements, yielding cash, technical assistance, and in kind contributions amounting to $952,208.

D. Microfinance and microenterprise programme

93. *Objectives*. During this reporting period, the UNRWA microfinance and microenterprise programme maintained its goal of utilizing credit to support small businesses and microenterprises, thereby helping create jobs, economically empower women and alleviate poverty in Jordan, the Syrian Arab Republic and the West Bank and Gaza. During the prolonged humanitarian crisis that has afflicted the community in the occupied Palestinian territory, the programme was able — after a two-year downturn — to intensify and deepen its credit outreach to the poorest microentrepreneurs. In this reporting period, the value of its disbursements was double that of the previous period. The UNRWA microfinance and microenterprise programme is now the largest source of credit to microenterprises in the occupied Palestinian territory, where it held 56 per cent of all loans outstanding among microfinance institutions at the end of 2003. These loans accounted for 17 per cent

of the potential market of 43,000 microenterprise clients that the World Bank determined could benefit from financial intermediation. During the reporting period, the programme provided 15,740 loans valued at $12.34 million to businesses in the occupied Palestinian territory, Jordan and the Syrian Arab Republic. Women microentrepreneurs received 31 per cent of these loans. Since it was established in 1991, the programme has disbursed 75,483 loans valued at $81.21 million.

94. *Programme reform*. UNRWA approved the human resource changes that were necessary to complete the organizational restructuring that had previously been recommended by the Microfinance and Microenterprise Programme Advisory Board and approved by the Commissioner-General. This transformed the programme's outdated programme management model, which was built on a highly centralized business process that was becoming ineffective as the scale and scope of the programme grew. This has now been replaced with a more rational product-management model where loan decision-making is substantially devolved to managers located in the network of decentralized branch offices. This "banking model" favoured by large-scale, best practice microfinance institutions has reduced loan approval and processing time, making the lending process more efficient. Further efficiencies will be gained as the programme completes a new information system project that will replace its existing databases through the introduction of a fully integrated Loan Management Information System that will strengthen the oversight and supervision of the decision-making process between the branch offices and the programme's senior management. The new system will integrate reporting at all levels of business activity from a detailed menu of key performance indicators and financial ratios that are being constructed in compliance with the best practice indicators of the microfinance industry. This is a joint project of the microfinance and microenterprise programme with the UNRWA Information Systems Department, which will be completed and implemented by 2005-2006.

95. During this reporting period, the programme continued to develop its branch office network by opening its tenth branch office in Ramallah in April 2004. Thus, the programme's credit outreach to its clients is now supplied through a network of 10 branch offices, five in the West Bank, three in Gaza and one each in Jordan and the Syrian Arab Republic. These will be further augmented as three additional branch offices are opened later in 2004 in Amman, Bethlehem and Damascus.

96. *Impact of restrictive measures*. While the programme was able to adjust its credit operations to the continuing economic repression that has affected labour, finance and commercial markets in the occupied Palestinian territory, it remained susceptible to periodic economic shocks resulting from military incursions, housing demolition campaigns, curfews and closures that have punctuated this reporting period. These resulted in short-term fluctuations in branch office performance as each office has had to deal with the differential impact of events in its region. Each critical incident invariably resulted in reduced outreach and increased loan delinquency that had to be corrected and offset during more stable intervals. This crisis management mode has become the normal functioning environment for the programme's staff that works under the swing effects of military operations on the business community and the general public. Its staff have managed to adapt operationally to these difficult conditions, but this has come at the cost of increased psychological and emotional stress in a context laden with greater security risks which they encounter while at the office and in the field, and while travelling to and from their workplaces. As a result of the efforts of its staff, the programme is now

operating at the break-even point after experiencing losses in the two previous years.

97. *Overall trend.* This reporting period is characterized by a significant return to growth, as the programme's outreach exceeded its previous highpoint of 12,000 loans achieved in 2000 to reach 15,740 loans. While the expansion of the programme into Jordan and the Syrian Arab Republic has contributed to this trend, it has largely been driven by the growth of the programme in Gaza which disbursed 10,205 loans in the current period, compared to 7,953 in the previous year. This was also driven upward by a substantial recovery in lending in the West Bank, where 3,120 loans were disbursed in this period, compared to just 667 loans in the previous year. If these outreach trends are sustained in the occupied Palestinian territory and the programme's activities in Jordan and the Syrian Arab Republic are consolidated, the programme will realize operational sustainability and full cost recovery by the end of the year.

98. However, the future health of the programme remains fraught with political risk and uncertainty. While some hope the Gaza withdrawal plan will present an opportunity to reinvigorate "the Road Map", the Palestinian business community is concerned that it will further economic isolation and containment. A significant confidence-building indicator during the interim period would be the reopening of the Israeli labour market to part of the estimated 100,000 workers who lost their jobs in Israel since September 2000, but this will require substantially more than the 4,000 workers from Gaza that had access to the Israeli labour market at the end of 2003 or the few hundred who had access to it in June 2004.

99. *Microfinance products and services.* The programme has developed four credit products to improve the economic and social conditions of poor microentrepreneurs, small businesses, impoverished women and working class families. These consist of three business products and one consumer lending product designed with methodologies that allow the programme to reach out to the poorer sections of the Palestine refugee community and other proximate groups. In addition to these products, the programme is developing a business plan and feasibility study for housing finance products that will improve housing conditions and create home ownership for Palestine refugees, who currently have no direct access to housing finance. This product will be pilot-tested in Gaza in late 2004.

100. *Microenterprise credit product.* The core business product of the programme is its microenterprise credit product, which was introduced in 1996. This is now retailed in each branch office in the occupied Palestinian territory, Jordan and the Syrian Arab Republic. This product provides short-term working capital loans to both informal and formal enterprises. The product has grown in significance as the economy in the West Bank and Gaza has contracted and informal enterprises have sprung up, which generate income for unemployed workers, discouraged youth, housewives and others facing economic marginality and poverty. Formal enterprises in the occupied Palestinian territory are more stable than informal enterprises, as the former provide a more stable source of income. Loans to both informal and formal enterprises start as low as $600 and can rise to $12,000 as clients graduate from one loan cycle to the next, with veteran clients receiving as many as 15 loans over a seven year period. This methodology allows the programme to reduce the risk inherent in the lending process by eliminating risky clients at an early stage, while credit-worthy clients can build their businesses through increased borrowing. This is

reflected in the high repayment rates, which range from 92 per cent to 100 per cent per annum in each field. During the reporting period, some 10,417 microenterprise credit loans valued at $9.06 million were disbursed in the occupied Palestinian territory, Jordan and the Syrian Arab Republic. Since 1996, the programme has issued some 44,144 microenterprise loans worth $43.63 million.

101. *Solidarity group-lending product.* The solidarity group-lending product was developed in Gaza in 1994 to empower women economically by offering credit to women microentrepreneurs who had no access to bank loans. Despite the success of this product in Gaza, it has not been possible to extend this product into the Agency's other areas of operation owing to the dearth of Palestine refugee women microentrepreneurs in the urban marketplaces there. The majority of women microentrepreneurs work in the informal sector, where their income is often used to ameliorate family poverty. This has become an increasingly important family survival strategy for households where male breadwinners are unemployed. This product also provides working capital loans to women organized in groups to guarantee each others' loans. Demand for this product has been quite stable throughout the almost four-year long intifada, and the repayment rate has remained quite resilient at 93 per cent per annum in 2003. During this reporting period, some 4,448 loans valued at $2.47 million were disbursed, while a total of 28,978 solidarity group loans worth $19.44 million have been provided to women microentrepreneurs since 1994.

102. *Small-scale enterprise product.* This is the oldest of the programme's business lending products. It was developed in 1991 to create employment and enlargement in small-scale enterprises in the industrial and service sectors. The product was retailed in the West Bank and Gaza with medium-term loans ranging in value from $5,000 to $70,000. With a higher dependence on external markets for sales and supplies, the small-scale enterprise sector has been hardest hit by the economic contraction in the occupied Palestinian territory and many of these small-scale enterprises have gone bankrupt, closed or reduced capacity. To reduce the risk in lending to this sector during the intifada, the programme halted the product in the West Bank in 2001. However, during this reporting period, the programme increased its product outreach in Gaza and is now preparing to reintroduce the product in the West Bank. It will also be retailed in Jordan and the Syrian Arab Republic in 2005. During the reporting period, 35 small-scale enterprise loans valued at $0.45 million were disbursed. Since 1991, a total of 1,207 loans worth $17.57 million were extended, just seven per cent of which were to women business owners.

103. *Consumer-lending product.* In 2002, the microfinance and microenterprise programme successfully piloted a new consumer-lending product aimed at working class and low-paid professional families that were unable to access personal credit from the banking sector. This product was designed to help poor families build household assets, smooth out household income flows and help families cope with emergencies and income shortfalls for education, health care and feasts. Owing to the continuing economic crisis, the programme is maintaining this product in Gaza alone for the time being, limiting outreach to Gaza City and the central Gaza region to control risk. Should the economy stabilize and unemployment rates drop, its outreach will be further extended within Gaza and introduced into the West Bank, but will be extended into Jordan and the Syrian Arab Republic only after managerial capacity and the branch office network is more developed. During the reporting period, the programme disbursed 840 consumer loans valued at $0.42 million, while

maintaining an annual repayment rate of 96 per cent. Since 2002, the programme has extended 1,154 consumer loans worth $0.56 million to working class families.

104. *Small and microenterprise training programme*. In addition to its microfinance services, the programme runs a modest — but successful — training programme for business development and entrepreneurship, which targets the microenterprise and small business community in Gaza. The tiny administrative overhead of this programme is sustained by small grants from donors, while the direct costs of each training course are covered by the participation fees of students. During the current reporting period, the programme delivered 57 business training courses to 1,355 participants. Since the programme was established in 1994, it has run 336 training courses for 6,977 students.

105. *Gaza field*. The programme's institutional capacity and credit products are most developed in Gaza, where more than half of its 200 staff is located in its field office and three branch offices. With the highest Palestine refugee density in the Agency's areas of operations, Gaza has been used as the test-bed to design and develop the programme's credit products and lending methodologies. Gaza will continue to play this role in the future, especially as the programme develops its housing finance products. With the exception of its small-scale enterprise product, the programme in Gaza has coped with the first two years of the intifada and deepening economic crisis. As a result, it was able to maintain a portfolio of active loans that is comparable to its position at the start of the intifada, i.e. 6,400 loans at the end of June 2004 compared to 6,506 loans in September 2000. However, the value of the outstanding portfolio fell from $6.56 million to $3.65 million during this period. Owing to its past success, the future growth potential of the programme's microenterprise products is much lower than elsewhere, as it has already assumed a substantial share of the microenterprise market in Gaza. Thus, further growth in microfinance activity will most likely be led by its non-business products, i.e. its consumer lending product and the new housing finance products that will be introduced at the end of 2004. During the current reporting period, a total of 10,205 loans valued at $7.95 million were disbursed in Gaza. Since 1991, a total of 59,429 business and consumer loans worth $63.68 million were invested in the Gaza economy.

106. *West Bank field*. The programme's new central office, which is responsible for the overall management, policy implementation and oversight of the programme in the occupied Palestinian territory, Jordan and the Syrian Arab Republic, was opened in the West Bank Field Office earlier this year. In the context of the programme's microfinance activities, the first half of this year was marked by a significant return of productivity, as the programme was able to recover from a precipitous fall in output that lasted during the intense 12-month regime of curfew and closure which followed the Israel Defence Forces' "Operation Defensive Shield" in April 2002. As the community adapted to the new security regime, the programme expanded its operational infrastructure by opening a new branch office in Ramallah. However, the economic situation was insufficiently secure to relaunch its small-scale enterprise product, which still bears too high a level of risk, and the programme operated with its microenterprise credit product only. The comparatively lower on-time repayment rate of 70 per cent in the West Bank attests to the higher level of risk in its economy compared to other fields. During this reporting period, the West Bank programme disbursed 3,120 microenterprise loans worth $2.74 million. Since

1991, the programme has awarded 13,349 microenterprise and small-scale enterprise loans valued at $15.71 million, just 6 per cent of which have been to women clients.

107. *Jordan and the Syrian Arab Republic fields*. In 2003, the programme's two new branch offices in Wihdat, Amman, and Yarmouk, Damascus, opened in more stable economies than those of the occupied Palestinian territory and the political environment was hospitable, as the Governments of Jordan and the Syrian Arab Republic both subscribe to microfinance as an important instrument for job creation, poverty reduction and the economic empowerment of women. While the launch of the programme in Jordan and the Syrian Arab Republic has gotten off to a good start, much work remains to be done in building human resource and institutional capacity as well as in securing the investment funds that are required if the programme is to play a lead role in the microfinance industry in each country. During the reporting period the programme issued a total of 1,253 microenterprise loans in Jordan and 1,162 in the Syrian Arab Republic, which were valued at $1.17 million and $0.49 million, respectively. Since 2003, the programme disbursed 2,705 microenterprise loans valued at a $1.81 million.

E. Geneva conference

108. A total of 62 countries and 29 international organizations gathered at the Geneva International Conference Centre on 7 and 8 June 2004 for the largest conference on the Palestine refugee issue in 56 years. Attended by approximately 300 delegates, the two-day conference aimed to enhance the level of engagement between the Agency and the international community and to increase support for the refugees' needs. Importantly, a structural linkage was set between the conference and the Agency's future planning process to ensure that the strongest recommendations from the conference will be reflected in the Agency's medium-term plan for 2005-2009 and in its budget preparation processes. In four workshop sessions, the main discussions covered were: the well-being of Palestine refugee children; housing, infrastructure and the environment in Palestine refugee camps; the socio-economic development of the refugees; and the management and mobilization of resources on behalf of the refugees. The Swiss Government, represented by the Swiss Agency for Development and Cooperation, offered to host the conference in Geneva to help raise the profile of the refugees' needs and to allow the conference to draw on the expertise of the city's humanitarian community. A core group of donors and host countries deliberated with UNRWA during months of preparation for the conference by leading working groups that held sessions in the Middle East. These groups also included intergovernmental and international organizations, such as the European Commission and UNICEF. NGOs were represented by three umbrella groups and multilateral aid institutions were also involved.

F. Fund-raising activities

109. During the reporting period, UNRWA took steps to increase voluntary contributions to the Agency and widen the donor base. Two developments in that regard took place, breaking new ground for the Agency. The first was the establishment of a post with a specific remit to work with Arab donors. This post, based initially in Amman before it was moved to Abu Dhabi, has already begun the

task of extending the Agency's fund-raising reach into the wider Arab world and Gulf States in particular, a region viewed as having good potential to provide support to Palestine refugees. The post has already been instrumental in ensuring closer and more direct relations with existing UNRWA donors, such as the Saudi Development Fund, the Islamic Development Bank, the Saudi Committee, the United Arab Emirates Red Crescent Society and the Kuwaiti Government and Red Crescent. In an effort to bolster cooperation with Gulf countries, the Commissioner-General paid visits to the United Arab Emirates, Kuwait and Qatar during the reporting period, in which he met with high-level government officials. The second development concerned private-sector fund-raising, wherein UNRWA has been focusing on two main areas: partnering with key corporations and developing a network of country support groups. Meetings took place between UNRWA and Microsoft with a view to establishing a refurbishment centre in Jordan that would support, inter alia, the UNRWA education programme by enhancing computer literacy and providing Internet access to UNRWA students throughout the Agency's areas of operation. In the coming months, UNRWA will continue in this direction, focusing on partnering with more private companies which can provide the Agency with relevant assistance for its operations and programmes.

110. The Agency also set in motion the formation of country support groups in Spain and in the United States of America, with two main goals: raising funds for and awareness about the Agency and its activities in the Near East. The Spanish country support group was well advanced by the end of the reporting period, with a partnership already agreed with both Spain and UNHCR for office accommodation and administrative support. The group was expected to start operating in September 2004. The United States country support group will start functioning at the beginning of 2005. Through these groups, UNRWA will seek to work more closely with local governments, private companies, individual donors and other charitable organizations which share the Agency's goals of assisting the Palestine refugees.

G. Emergency appeals

111. *Implementation*. The Agency continued its programme of emergency assistance in the occupied Palestinian territory, focusing on food aid, emergency employment creation, shelter repair and rebuilding, cash assistance, health and education. UNRWA was also an active contributor to the Consolidated Appeals Process coordinated by the Office for the Coordination of Humanitarian Affairs of the Secretariat. The Agency participated in the drafting of the 2004 Consolidated Appeal document and chaired a number of the working groups which assessed need and formulated appropriate responses to the ongoing emergency situation in the occupied Palestinian territory. During the reporting period, UNRWA launched three appeals. A six month appeal was launched in June 2003 for $102 million, covering July-December 2003, followed by a year-long appeal for 2004 for $193 million. Finally, in May 2004, the destruction wrought by the military operation in Rafah led a supplementary appeal for Rafah for $15.8 million. Owing to lack of funds, the Agency was forced to reprioritize its emergency appeal to focus primarily on food aid, emergency employment creation and cash assistance. Underfunding meant that the Agency had no choice but to reduce the number of beneficiaries receiving food parcels in the West Bank, as well as the caloric value of the rations in Gaza and the West Bank, from 65 per cent to 40 per cent. Furthermore, at the end of the reporting

period, the Agency lacked the funds to rebuild approximately 1,500 shelters that had been destroyed by IDF since the intifada began in September 2000. With the available emergency appeal funds, during the reporting period the Agency rebuilt or repaired a total of 735 shelters in Gaza and 366 in the West Bank. The Agency also provided 19,550 short-term jobs for Palestine refugees and created 1,595,604 job/days either through direct hire or through community-based infrastructure and construction projects. Food distributions continued, targeting 128,000 families in the Gaza Strip and 94,294 in the West Bank. UNRWA also continued to provide selective cash assistance to families that could not meet their basic needs. Under the emergency health programme, additional staff were employed and the number of mobile clinics in the West Bank was increased from three to five, providing basic health care to 91,763 patients who could not reach UNRWA health-care facilities owing to movement restrictions. Medical supplies were also procured to provide drugs, laboratory reagents, antiseptics and a range of disposable items. Other emergency health services included psychosocial counselling, especially for children, to prevent long-term problems from developing and to avoid an excessive drop-out rate at school. Other forms of emergency assistance provided through UNRWA included distributions of tents, blankets and kitchen sets to families rendered homeless and the rehabilitation of shelters.

112. *Status of funding*. On 31 May 2004, UNRWA launched a supplementary appeal for Rafah in the amount of $15.8 million, for which UNRWA has received contributions in the amount of $4.36 million as at 30 June 2004. Contributions for the 2004 emergency appeal of $193.6 million amounted to $55.9 million at the end of the reporting period. Pledges to the UNRWA $102.9 million appeal to cover the needs from July to December 2003 amounted to $53.3 million at the end of the reporting period. In addition, during the reporting period, UNRWA received contributions in the amount $5.6 million against the appeal covering January-June 2003, raising the total contributions for this appeal to $39.7 million. Expenditures of funds for the emergency appeal amounted to $95.2 million during the reporting period.

H. Projects

113. *Objectives*. In recognition of the fact that project funding has taken on increasing financial and programmatic importance over the years and in order to establish a more targeted fund-raising approach, UNRWA established Agency-wide project priorities that form the basis for the projects component of its biennium budget. The projects budget comprises mainly non-recurrent, infrastructure costs that are to be funded by non-core budget contributions, including expansion, replacement and major maintenance of UNRWA facilities in order to meet the increasing demand for Agency services (particularly in the field of education) and the improvement of housing and environmental health conditions in refugee camps. By treating projects as integral to the biennium budget, the Agency provides a comprehensive estimate of its financial requirements to carry out its mandate over the biennium and directly links project-funded activities with those programme activities funded under the regular budget. Unless projects needs are covered, the Agency will not be able to attain its goals and objectives for the biennium and the quality and level of its services will suffer.

114. *Implementation*. During the reporting period, project funds enabled UNRWA to complete the construction of four schools (one each in Gaza, Lebanon, the Syrian Arab Republic and Jordan), the construction of 53 additional classrooms and nine specialized rooms and the conversion of two classrooms into administrative rooms at various schools. The Agency was able to provide these schools with desks, computers and equipment. Projects made it possible to complete the construction of one health centre, upgrade a maternal and child health clinic to a general clinic and fully refurnish a dental unit and waiting area. It was also possible to complete the rehabilitation/construction of 239 shelters of special hardship families Agency-wide. At the Siblin Training Centre, projects funds were used to establish a French training section, upgrade equipment, expand workshops and provide an electric generator. Several environmental health projects were completed, including the construction of a gravity main interceptor (stage II) at Deir el-Balah, the design of the Nuseirat pumping station and its pressure main, the construction of a new water well at the Jabalia camp, the reconstruction of sanitation offices at the Jabalia and Beach camps and the pavement of alleyways at the Beach camp. Other projects completed during the reporting period included the equipping and furnishing of toy libraries at two of the Community Rehabilitation Centres in Gaza. Further funding went into several environmental health projects, including the construction of a sewerage system in Khan Eshieh and water supply networks in the Khan Eshieh and Khan Dannoun camps in the Syrian Arab Republic, the construction of the Nuseirat sewage pumping station, the construction of sewage and drainage systems at the Deir el-Balah camp, the upgrading of solid waste removal at Jabalia and the middle camps in Gaza, the improvement of the drainage system and provision of a water reservoir to nine schools in the Nahr el-Bared camp and the mechanization of solid waste management at the Nahr el-Bared and Beddawi camps in Lebanon. Several other projects were ongoing, including the provision of a new X-ray unit for the new Ein el-Hilweh health centre, a psychological support initiative, the introduction of computers at UNRWA schools, technical assistance and management support to the Neirab rehabilitation project and the introduction of the tenth grade in UNRWA schools within Jerusalem boundaries. Project funding also helped to sustain regular Agency programmes through the upgrading of facilities and the introduction of courses at several of the Agency's vocational training centres, the operations support programme in the West Bank and Gaza and the provision of medical supplies. Several junior professional officers, who augmented capacity within a number of UNRWA departments and fields, were also funded during the reporting period.

115. *Status of funding*. During the reporting period, UNRWA received new pledges for projects in the amount of $24.6 million. Of the new funding, $9.5 million — or 39 per cent — was allocated to the relief and social services sector, $3.4 million to the health sector, $3.4 million to the education sector and $3.8 million to other projects, while $4.5 million was yet to be allocated. Projects in the occupied Palestinian territory received $7.2 million. The Syrian Arab Republic received $6.3 million, Lebanon received $3.2 million and Jordan was allocated $0.4 million. Agency-wide activities received $7.5 million. The funding received during the reporting period for projects was sufficient to allocate funding for 46 additional projects. Cash expenditure for projects amounted to $21.7 million during the reporting period.

I. Peace Implementation Programme

116. *Objectives*. The Peace Implementation Programme (PIP) was launched by the Agency following the signing of the Declaration of Principles on Interim Self-Government Arrangements between the Palestine Liberation Organization and Israel. From October 1993 until December 1999, it was the primary channel for extrabudgetary project funding for activities carried out within the framework of Agency programmes in education, health, relief and social services, and income-generation. It contributed in a very practical and tangible way to the improvement of the refugees' overall living conditions and to creating employment opportunities and developing infrastructure. Following the adoption of the 2000/2001 programme-based biennium budget, which distinguished between the Agency's regular budget and project activities, all new non-core contributions were credited to the project budget. A new "post-1999 projects" programme was introduced from January 2000 to track all contributions to the biennium projects budget.

117. *Implementation*. During the reporting period, PIP funds enabled UNRWA to complete the construction of 20 additional classrooms and two specialized rooms. PIP also made it possible to complete Beach camp shore protection in Gaza. Other projects completed during the reporting period included promoting tolerance, conflict resolution and basic human rights in schools and HIV/AIDS awareness. Ongoing projects included reconstruction of dilapidated blocks at schools and procurement of computers and upgrading of equipment at training centres. A major environmental health project to construct sewer and water networks in five camps in Lebanon was also still ongoing. Cash expenditure under PIP amounted to $3.3 million during the reporting period.

118. *Status of funding*. No new pledges were received towards PIP, as it was merged under the projects budget. However, during the reporting period, $4.6 million in income was recorded against prior PIP pledges.

Chapter III

Financial matters

A. Fund structure

119. During the period 1 July 2003 to 30 June 2004, UNRWA received contributions and incurred expenditure against the following headings:

(a) Regular budget;

(b) Projects budget, comprising mainly post-1999 projects and the remaining balances of the Peace Implementation Programme;

(c) Emergency appeals.

120. The regular budget covered all recurrent costs incurred on UNRWA programmes of education, health and relief and social services, and on all support functions.

121. Post-1999 project activities covered project funding received in respect of projects initiated after 31 December 1999. These activities include, among others, construction of schools and health centres, environmental health infrastructure and activities and the junior professional officers programme.

122. The Peace Implementation Programme covered project activities funded under an UNRWA initiative in 1993 to improve the infrastructure and enhance the living conditions of refugees Agency-wide.

123. The emergency appeals covered emergency activities by the Agency in response to needs arising from the strife in the West Bank and Gaza fields. UNRWA launched five appeals between September 2000 and the end of 2003. In 2003, appeals were launched in the amount of $196.6 million. Appeals of $209.4 million were launched in 2004, including a $193.6 million appeal for the year and a $15.8 million supplementary appeal for Rafah in the Gaza Strip, to address needs emerging from a major Israeli military operation in May 2004.

B. Budget, income and expenditure

124. *Context*. Certain organizational characteristics of UNRWA were particularly relevant to its financial situation, such as the Agency's role as a direct provider of services for the Palestine refugee population through its own installations and staff; the public-sector nature of UNRWA services, including availability to all those meeting the Agency's operational definition of a Palestine refugee; the steady growth in the number of beneficiaries over time owing to natural growth in the refugee population; and the Agency's lack of access to revenue sources traditionally available to public sectors proper, such as taxation or borrowing, and the concomitant reliance of the Agency on voluntary contributions for income.

125. *Budget preparation*. UNRWA prepares its budget on a biennial basis, although operations are financed on an annual basis. Pursuant to the 2002-2003 biennium, the 2004-2005 budget represented another step forward in the Agency's efforts to improve budgetary transparency and the usefulness of the budget as a planning, managerial and fund-raising tool. This was achieved by further developing the

results-based format in the preparation of the 2004-2005 biennium budget, which was finalized in 2003. The biennium budget is a programme-based budget structured around the Agency's mandated service-providing role and programme plans. It had the following features:

(a) It covered the Agency's financial requirements for regular programmes, including the regular budget and projects budget;

(b) Budget categories were restructured and expenditure reattributed to reflect more accurately the cost of programme activities;

(c) More detailed programmatic explanations and justifications were provided for budgeted activities and changes in budget allocations;

(d) It was derived from a biennial programme of work specifying objectives, expected accomplishments, planned activities and key performance indicators to measure the performance of each programme;

(e) Budget preparation was guided by planning assumptions rather than budget ceilings.

126. In order to monitor implementation, the periodic budget performance review was enhanced to include reporting by programme managers about progress in achieving the programme objectives specified within the budget. This review activity was enriched through the use of key performance indicators to assist the line managers in evaluating performance during implementation.

127. *Regular budget*. The Agency's 2003 regular budget amounted to $344.1 million, of which $321.1 million represented the cash portion and $23.0 million the in kind portion, mainly donations for the special hardship cases and the food support programmes. The Agency's 2004 regular budget totalled $350.9 million, of which $330.3 million represented the cash portion and $20.6 million the in kind portion (see annex I, table 9). In real terms, the Agency's biennium budgets for 2002-2003 and 2004-2005 revealed negative growth when adjusted for increases in the beneficiary population and inflation.

128. *Projects budget*. The Agency's projects budget for 2004 was $45.9 million.

129. *Income and sources of funding*. Cash and in kind income in 2003 amounted to $453.1 million, of which $328.7 million was for the regular budget, $23.3 million for projects and $101.1 million for the emergency appeals. Voluntary contributions from Governments and the European Community accounted for $412.6 million of total income, or 91.1 per cent (see annex I, table 10). Most of that income was received in cash, although $14.5 million was received in kind, mainly as donations of food commodities. Out of the cash income, $8.4 million represented contributions made but not received by the end of 2003. Other United Nations bodies provided $17.8 million (3.9 per cent of total income) to cover staffing costs, including the annual funding of 105 international posts (110 effective 1 January 2004) by the United Nations Secretariat, and assistance from UNESCO and WHO in the staffing of the education and health programmes. The remaining $22.7 million (5 per cent of total income) came from miscellaneous sources such as non-governmental organizations and exchange rate gains.

130. *Expenditure and financial results*. Total expenditure incurred by UNRWA in 2003 was $430.0 million, of which $306.8 million was for the regular budget, $24.0

million for projects and $99.2 million for the emergency appeals. The Agency ended the year 2003 with a deficit of $9.4 million, when comparing the regular cash budget of $321.1 million with income received of $311.7 million. However, the Agency recorded a surplus of $23.5 million in the cash portion of the regular budget in 2003, representing the difference between the actual cash income of $311.7 million and the actual cash expenditure of $288.2 million. The Agency, nonetheless, recorded a deficit of $5.9 million in the cash portion of the regular budget in 2003, when income was measured against planned expenditures of $317.6 million. Included in the cash income was $4.0 million in exchange rate gains. The Agency was not able to implement fully its planned activities owing to the lack of full funding of its budget and therefore was compelled to incur expenditure only as pledges were received.

131. *Termination indemnities*. The 2002-2003 and the 2004-2005 regular budgets did not include any provision for termination indemnities which would be payable to local staff if ever the Agency were dissolved. The Agency has been unable to fund such a provision in previous years. The current estimated amount of $147.3 million for termination indemnities represents a contingent liability for the Agency.

C. Non-regular budget activities

132. *Post-1999 projects*. The balance under post-1999 projects is positive, with $14.8 million as at 31 December 2003, representing the difference between cumulative income of $61.7 million and expenditure of $46.9 million.

133. *Peace Implementation Programme*. The Programme account had a positive balance of $5.3 million as at 31 December 2003, representing the difference between income of $218.3 million since the Programme's inception and expenditure of $213.0 million.

134. *Emergency appeals*. The balance of the emergency appeals as at 31 December 2003 was $57.6 million, of which $29.5 million represented amounts pledged to emergency appeal activities but not received from donors. Since the first appeal was launched in October 2000, UNRWA has received contributions amounting to $299.8 million and incurred expenditure in the amount of $242.2 million.

D. Current financial situation

135. *Overview*. The Agency was able to end the year 2003 with a positive working capital balance of $32.2 million. It was able to achieve a relatively favourable financial result owing to the positive impact of United States dollar depreciation against other currencies, with the result that the Agency made $4.0 million in exchange rate gains in 2003. Another contributing factor to this positive result was the continued application of strict financial controls and the ongoing implementation of the 1999 Area Staff Rules. During the reporting period, the Commissioner-General decided that those Rules be rescinded in light of the adverse effect they had on recruitment and retention of qualified staff. The recommendation was due to go into effect in August 2004.

136. *Working capital*. Working capital, defined as the difference between assets and liabilities in the regular budget for the calendar year, stood at $36.7 million as at

31 December 2003. However, $4.5 million represented funds earmarked to procure basic commodities, leaving a real positive working capital balance of $32.2 million for the cash budget. The end-of-year excess of income over expenditure of $23.5 million, minus the $10.0 million reserve for currency fluctuations, was added to the working capital of $18.7 million carried forward from December 2002.

137. *Cash position*. The current cash position of the Agency improved during the reporting period in part because of the reimbursement by the Palestinian Authority of a large amount of value-added tax (VAT) due from prior years. However, there still remained outstanding cash pledges under the regular budget amounting to $8.4 million and approximately $13.0 million in respect of VAT due from the Palestinian Authority.

138. *Financial situation at mid-2004*. Expected cash expenditure for 2004 in the regular programme was $314.2 million, against an expected cash income of $320.4 million.

Chapter IV

Legal matters

A. Agency staff

139. *Arrest and detention of staff*. The total number of UNRWA staff members arrested and/or detained decreased from 80 in the previous reporting period to 52 in the current reporting period (see annex I, table 11). The number of staff members arrested and/or detained by the Israeli authorities decreased from 64 to 34. Of these, 32 staff members were arrested and/or detained by the Israeli authorities in the Agency's West Bank field and 2 from the Gaza field. Most of the detained staff members were held without charge or in administrative detention. The Agency was informed by the Israeli authorities at a meeting in October 2003 that three staff members had been convicted by Israeli military courts for security-related offences and that three were under indictment. The Agency asked for, and was promised, official court documents with respect to these cases. In spite of repeated requests from the Agency subsequent to the October meeting, however, the Israeli authorities had not provided any official court documents with respect to any of these cases by the end of the reporting period. However, after a meeting on 9 August 2004, an official from the Ministry of Foreign Affairs handed a number of Hebrew documents to the Legal Adviser, indicating that the documents concerned the cases of several UNRWA detained staff. The number of staff members arrested and/or detained by the Palestinian authorities increased from five to eight. At 30 June 2004, 22 staff members remained detained by the Israeli authorities and 1 by the Palestinian authorities. In addition, five staff members were arrested in Jordan and three in Lebanon, all of whom were released without charge or trial after short periods of detention. Two staff members were arrested in the Syrian Arab Republic, both on minor charges, of whom one was still in detention at the end of the reporting period.

140. *Functional protection of detained staff*. In most cases the Agency was not provided with adequate or timely information by the relevant authorities as to the reasons for the arrest or detention of its staff members. In the absence of such information, it was not possible for the Agency to determine whether the arrest and detention of the staff members were related to their official functions. Accordingly, the Agency was unable to ensure that rights and obligations flowing from the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations, the 1949 Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War and the relevant Staff Rules and Regulations of the Agency were duly respected. In the case of staff members detained by the Israeli authorities, in spite of the Agency's written requests in each instance, the Agency did not receive any official information concerning the reasons for any of the arrests or detentions during the reporting period. In the case of staff members detained by the Palestinian authorities in Gaza, the Agency was only provided with partial information in response to its requests, while in the case of the staff member arrested in the West Bank and still in detention at the end of the reporting period, the Palestinian authorities provided the Agency with a written explanation. The two other staff members arrested by the Palestinian authorities in the West Bank were released after being detained overnight. The Lebanese authorities provided the Agency with adequate information about the reasons for detention of its staff members, as requested by the Agency, while in Jordan the

reasons given for the detention of staff members were stated only as "security-related". In the Syrian Arab Republic, the Agency believes from the information available that one detention related to a family law matter and the other is pursuant to a complaint from the Agency against the staff member for theft of Agency property.

141. *Access to detained staff.* Despite repeated requests made orally and in writing, the Agency was not granted access to staff members arrested by the Israeli authorities in the West Bank or Gaza Strip, nor was the Agency informed of the locations where the staff members were being detained. The Agency was granted access, as requested, to the staff member still being detained in the West Bank by the Palestinian authorities as well as to staff members arrested and detained by Palestinian authorities in the Gaza Strip. In Lebanon and Jordan, staff members were released after relatively short periods of detention before requests for access were made. In the Syrian Arab Republic, given the nature of the two cases, the Agency has not pursued the matter of access with the authorities.

142. *Treatment and state of health of detained staff.* As noted above, the Agency has not been able to visit any of its staff detained by the Israeli authorities. The state of health of such staff members therefore remained a matter of serious concern. In particular, one staff member from the West Bank, who was originally detained in February 2002 and was released only at the end of June 2004, suffers from cancer. During the previous reporting period, the Agency supplied the Israeli authorities with the staff member's medical records and requested that the staff member receive proper medical treatment for his condition. The Agency has had no reply to these requests. During the reporting period, none of the staff members detained by the Palestinian authorities complained of mistreatment and staff members were permitted visits by their families during their detentions. There were no reports of mistreatment in respect of staff detained by the Jordanian, Syrian or Lebanese authorities.

143. *Freedom of movement of UNRWA staff in the occupied Palestinian territory.* The Israeli authorities, citing security concerns, have continued to impose far-reaching restrictions on the freedom of movement of UNRWA personnel. The restrictions have included the external closure of the West Bank and the Gaza Strip, the imposition of curfews and internal closures, the setting up of checkpoints and the continuation of cumbersome procedures stipulating the use of permits and magnetic cards for local staff resident in the West Bank for their entry into Israel and East Jerusalem. The Israeli authorities have also continued to impose restrictions on travel of UNRWA personnel and vehicles across borders and external crossing points, including Allenby (King Hussein) Bridge between the West Bank and Jordan, the Rafah border crossing between the Gaza Strip and Egypt and the Erez (Beit Hanoun) crossing between Israel and the Gaza Strip, as well as at Israel's Ben Gurion airport. These restrictions resulted in increased costs, a high number of employee absences and difficulty in delivering humanitarian supplies, all of which caused serious disruption to UNRWA programmes in the occupied Palestinian territory during the reporting period. The restrictions are inconsistent with established principles of international law, the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations, the 1949 Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War, and the 1967 bilateral exchange of letters between the Agency and the Government of Israel (known as the Comay-Michelmore Agreement). The Israeli

authorities state that the restrictions are necessary owing to considerations of military security or are justified under the Government of Israel's inherent right of self-defence, including against terrorist attacks. The Agency continued to make representations to the Israeli authorities at all levels, including at meetings with the Israeli Ministries of Foreign Affairs and Defence, to have the constraints affecting UNRWA operations removed or alleviated. As during the previous reporting period, the Agency agreed, without prejudice to its positions of principle under international law, to consider pragmatic solutions attempting to meet legitimate Israeli security concerns, while easing the movement of its staff members. The Agency continued to coordinate with IDF Liaison Officers, in order to facilitate the freedom of movement of the Agency and other international and humanitarian organizations in the occupied Palestinian territory. In the West Bank, improved coordination led to some improvement in staff movement at checkpoints. In general, however, the willingness of IDF to coordinate with UNRWA did not result in tangible improvements in the situation on the ground. Hence, the reporting period saw a continuation in access restrictions and the freedom of movement of UNRWA staff members remained unpredictable and often constrained.

144. *External closures of the West Bank and the Gaza Strip.* The procedures instituted by the Israeli authorities after September 2000 strictly regulating entry into and exit from the West Bank and the Gaza Strip for locally-recruited staff members remained in place during the current reporting period. The Agency's local staff from these areas continued to be required to obtain a permit to enter Israel and East Jerusalem. (For further discussion of the permit regime, see paragraph 150.) During the reporting period, passage through the Erez checkpoint remained unpredictable, seriously hampering the operations of the Agency's headquarters and Gaza field office. In addition, the West Bank was often placed under closure without prior notice for indefinite periods, making it difficult for the West Bank field office to plan and implement its humanitarian activities.

145. *Curfews and internal closures in the West Bank.* The movement of UNRWA staff in the West Bank was severely restricted during the reporting period owing to the imposition of curfews and closures throughout the West Bank. Curfews were imposed frequently on cities, towns, villages and refugee camps, affecting on average 407,400 inhabitants per month. The most severe restrictions were imposed in Nablus and Hebron. Those staff members who were able to move during the reporting period (i.e., who were not prevented from leaving their homes because of ongoing curfews or military operations) were often physically prevented from reporting to work owing to the obstruction of their movement caused by checkpoints and roadblocks. Permanent checkpoints, manned by IDF or Border Police, and roadblocks of various kinds continued to be maintained on all major and most minor roads throughout the West Bank by the Israeli authorities during the reporting period. Depending on the security situation, IDF often erected additional temporary or "flying" checkpoints as well. In addition, most roads and dirt tracks leading into and out of villages were routinely obstructed by earth mounds, concrete blocks, deep trenches, barriers and iron gates. The United Nations Office of the Coordinator for Humanitarian Affairs estimated that there were still more than 700 such obstructions throughout the West Bank at the end of the reporting period. Agency staff experienced the most serious problems at checkpoints in the Nablus, Jerusalem and Hebron areas. There were on average 112 major access incidents at checkpoints per month reported to the West Bank Field Office in which on average some 570

employees were denied access or delayed. These compare with monthly averages during the previous reporting period of 105 incidents involving 460 staff members. These figures include only those incidents that involved UNRWA staff travelling in Agency vehicles and that were formally reported to the Agency. Most Agency staff travel in the West Bank in private vehicles. The access problem therefore is more serious than these statistics alone would indicate.

146. *Curfews and internal closures in the Gaza Strip*. UNRWA staff in the Gaza Strip continued to experience severe restrictions in their movements as a result of curfews and frequent internal closures. Since July 2003, IDF have repeatedly trisected the Gaza Strip by permanently closing secondary roads and placing checkpoints on the main north-south road at the Abu Houli-Gush Qatif and Netzarim junctions and on the coastal road. At other times, while the Abu Houli-Gush Qatif checkpoint was completely or partially closed, the coastal road remained open, allowing traffic to bypass the Netzarim junction. In such cases, the Gaza Strip was still effectively divided, with the Khan Younis and Rafah areas in the south cut off from Gaza City in the north. During the hudna (temporary ceasefire) in July and August 2003, most secondary roads were opened and the Abu Houli-Gush Qatif checkpoint remained open on a 24 hour basis. Beginning in September 2003, however, IDF again closed all secondary roads and also closed the checkpoints on the main north-south road in three locations, at the Netzarim junction on the coastal road, the Abu Houli-Gush Qatif checkpoint, and the Morag junction between Rafah and Khan Younis, effectively dividing the Gaza Strip into four separate parts. This four part closure remained in place during most of October 2003. During the period from November 2003 to April 2004, these closures were generally rescinded, but the Abu Houli-Gush Qatif checkpoint was closed during the hours of darkness. In total, during the reporting period, there were some 10 days of full closure and 303 days of partial closure at this checkpoint. On 17 and 18 May 2004, IDF closed Morag junction, thereby cutting off Rafah from the rest of the Gaza Strip while it carried out extensive military and house demolition operations.

147. *General effects on UNRWA operations in Gaza*. Throughout the reporting period, unannounced closures and delays caused by extensive searches of all vehicles passing through the Abu Houli-Gush Qatif checkpoint continued to disrupt the freedom of movement of UNRWA staff and vehicles and had a serious negative impact on UNRWA operations. For example, the Agency lost some 49,634 teaching days at an estimated cost of $992,680. In addition, some 79,225 working hours were lost as a result of non-teaching staff being delayed in coming to work or in failing to reach their workplaces as a result of the closures, at an estimated cost of $265,029. Furthermore, as a result of partial closures and delays, the Agency was obliged to accommodate essential local staff members at hotels in Gaza City. During the reporting period, the Agency paid a total of $34,916 for hotel accommodation and staff relocation allowances. There was a continuation during the reporting period of the Israeli security requirement imposed in April 2002 that vehicles, including United Nations vehicles, wishing to cross the Abu Houli-Gush Qatif checkpoint in the Gaza Strip must carry at least two persons in addition to the driver. Since many UNRWA staff would normally drive alone or with no more than one other colleague, this meant that one or two additional staff members had to be taken away from other duties merely to be extra passengers in order to meet the three-person requirement.

148. *Closed areas in Gaza*. The closure regimes imposed on the Seafa area adjacent to the Dugit and Alai Sinai settlements in the north of the Gaza Strip in July 2001

and on the Al Mawasi area in the south in December 2001 continued during the present reporting period. These closure regimes included night-time curfews, severe restrictions on the movement of persons and goods and frequent search operations within the areas. The two areas were at times completely closed for extended periods. The restrictions imposed on the freedom of movement of civilians severely affected their humanitarian situation. In November and December 2003, for example, UNRWA repeatedly protested the closure that prevented the access of UNRWA sanitation vehicles and staff to the Swedish Village inside the Al Mawasi area. In January 2004, IDF confiscated additional land along the boundaries of Kfar Darom settlement and erected a security fence around the Palestinian area between the two settlement blocks, trapping 129 Palestinians living inside the security fence and eventually declaring the area a closed military zone. The living conditions of the population of that area (the Muhata area) have thus become similar to those in the Al Mawasi and Seafa areas. UNRWA operations within the closed areas were severely disrupted during the reporting period owing to the extensive security restrictions. Since March 2002, UNRWA trucks with food aid have been refused access to these areas. Since November 2000, UNRWA has been prevented from bringing into the areas contractors and building materials needed to repair refugee shelters. However, through extensive liaison with IDF, the Operations Support Officer Programme in the Gaza Strip has been able to facilitate access for UNRWA medical staff, sanitation workers and social workers, thereby improving the Agency's services to the population in the closed areas. In spite of such prior coordination, visits to these areas were often cancelled or postponed by IDF with little or no warning, and, when access was granted, UNRWA staff, vehicles and their contents were subjected to searches and delays on entering and leaving the areas, which constituted a violation of the Agency's privileges and immunities under international law.

149. *Expanding security zones and house demolitions in Gaza*. During the current reporting period, IDF continuously expanded the areas where curfews were imposed during night-time hours, particularly in areas adjacent to Israeli settlements and to the roads connecting the settlements with Israel and other Israeli installations. IDF carried out extensive destruction of farmland and housing in these areas and effectively created extended security zones adjacent to Israeli settlements and the borders with Israel and Egypt, affecting some 24,000 people throughout the Gaza Strip, in addition to the 22,000 people so affected during the last reporting period. Movement in these areas is regarded as being extremely dangerous, even during daylight hours, because of the risk of gunfire from Israeli positions. UNRWA operations in these areas have consequently been restricted owing to United Nations security regulations in place for the protection of staff. On 17 May 2004 IDF launched a major operation into the Rafah area and proceeded to demolish large numbers of residential buildings along the Egyptian border, adding to the extensive house demolitions carried out by the IDF earlier in the reporting period. Extensive house demolitions were also carried out in the Khan Younis area adjacent to the Israeli settlements there and to a lesser extent in other areas of the Gaza Strip. In response, the Security Council adopted resolution 1544 (2004) on 19 May 2004, reiterating the obligation of Israel, as the occupying power, "to abide scrupulously by its legal obligations and responsibilities under the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War of 12 August 1949" and specifically called on Israel to respect its obligations not to carry out house demolitions contrary to international humanitarian law. Notwithstanding the action

of the Security Council, the IDF continued to carry out extensive house demolitions in the Gaza Strip to the end of the reporting period. The IDF destroyed or damaged beyond repair, in the Gaza Strip, a total of 901 homes during the reporting period, rendering 2,224 families homeless. Another 1,410 homes were damaged by these IDF operations and in need of repair. UNRWA was able to rebuild only 256 shelters during the reporting period, and to assist in the repair of 539. An additional 224 shelters were in the process of being rebuilt at the end of the reporting period and some 8 are currently being repaired. At the close of the reporting period, some 500 persons whose homes were destroyed in the IDF operations in Rafah were still being accommodated on an emergency basis in UNRWA schools.

150. *Entry and driving permits issued by the Israeli authorities for UNRWA local staff.* The current reporting period saw the continuation of the general prohibition on holders of West Bank and Gaza Strip identification cards, including UNRWA local staff, entering Israel and East Jerusalem. As in previous years, all Palestinians wishing to enter or transit through Israel or East Jerusalem have been required to apply for entry permits. The Israeli authorities have also required that local staff members be in possession of a magnetic card (for which a fee must be paid) proving that they have received a security clearance before they can qualify for entry permits. As of the end of the reporting period, only 361 staff members (80 per cent) held valid entry permits out of 451 requiring them. At the close of the reporting period, some 63 West Bank staff members continued to be refused entry permits for unspecified security reasons. In the Gaza Strip, the Israeli authorities at Erez informed the Agency during the current reporting period that a limited number of local staff, who were in possession of valid magnetic cards, could apply for entry permits. The Israeli authorities also instructed the Agency that while the validity of existing magnetic cards could be extended, no new magnetic cards would be issued. The Agency assisted staff members to renew their magnetic cards and then submitted applications to the Israeli authorities for entry permits in respect of those staff members. Out of the 62 permits applied for by the Agency for local staff to enter Israel and East Jerusalem, only 18 were issued to local staff in the Gaza Strip during the reporting period. Other applications for permits were turned down on unspecified security grounds. In those cases when permits were granted, most of these were valid only for day trips (0500-1900 hours) to Israel and East Jerusalem and only for a three-month period. During the frequent closures of Erez crossing to all Palestinians, however, these staff members were not allowed to exit the Gaza Strip for Israel, notwithstanding their permits. The Agency also applied for and obtained special permits for three staff members to allow overnight stays in Israel or East Jerusalem. A limited number of staff members with Jerusalem identity cards were issued permits to enter the Gaza Strip. Such permits were revoked during the closures of Erez to Palestinians. The entry permits granted to local staff in the West Bank and the Gaza Strip specifically forbid the holder to drive in East Jerusalem or Israel, thus necessitating a special driving permit, in addition to the entry permit and magnetic card, if a local staff member is to drive. The Israeli authorities confirmed again during the reporting period that no driving permits for Israel and East Jerusalem would be issued to local staff in the Gaza Strip and the West Bank, including to those local staff members whose work primarily involves driving. This creates a problem for the West Bank field office, as up to 240 staff members are required to enter East Jerusalem in order to perform their official duties on behalf of the Agency. As a result, during the reporting period, the Agency had one staff member detained, arrested and taken before an Israeli court for "driving in Israel".

The driver faces a possible jail sentence and/or fine in this case. Other UNRWA drivers were also detained and/or fined for the same "offence". The Agency's position is that the staff members are protected by their immunity as United Nations officials under the 1946 Convention on the Privileges and Immunities of the United Nations. This position is not recognized by the Israeli authorities for the Agency's Palestinian staff.

151. *Erez checkpoint-I.* As during the previous reporting period, generally only international staff members were permitted to cross the Erez checkpoint, which is the principal point of non-commercial transit between Israel and the Gaza Strip. At the end of the reporting period, the Agency had 101 international staff members holding a United Nations "laissez-passer" with an Israeli service visa. During the reporting period, UNRWA vehicles occupied by such international staff members were searched along with the staff members' luggage on entering Israel. In April 2004, the Israeli authorities introduced an additional search by sniffer dog of United Nations vehicles exiting the Gaza Strip. This contributed significantly to the time staff members were delayed, especially as the dog was often not available for long periods of time. On one occasion in early May 2004 during a search of a United Nations vehicle by a sniffer dog, an Israeli soldier, without warning to the United Nations driver, "planted" a container of unknown material in the vehicle and asked the dog to "find" it. The United Nations vehicle was then delayed for an extended period during the subsequent standard full vehicle search, owing apparently to traces of explosive residue being found in the vehicle. In spite of the Agency's protest, two similar incidents were reported later in the reporting period, one involving a humanitarian NGO vehicle and one the private vehicle of an UNRWA staff member. On several other occasions during the reporting period, the passage of international staff members through Erez checkpoint was delayed for several hours or denied altogether because of alleged traces of explosives on their vehicles, notwithstanding the fact that thorough searches of their vehicles had revealed nothing untoward. Some staff members who were denied entry for this reason were advised by the Israeli authorities at Erez to return to the Gaza Strip and have their vehicles washed. The IDF attempted on several occasions during the reporting period to search United Nations vehicles coming into the Gaza Strip from Israel. In the interests of cooperating with Israel's security concerns, the Agency agreed that Israel Defense Forces soldiers could look through the windows of United Nations vehicles and into the boot of United Nations vehicles but that they could not open and search bags located in the vehicles. On several occasions, staff members were forced to spend an extra night in Israel or East Jerusalem at Agency expense rather than submit to a search that is regarded by the Agency as a violation of United Nations privileges and immunities.

152. *Erez checkpoint-II.* Restrictions on the movement of UNRWA and United Nations staff across Erez increased during the reporting period and were frequently changed without warning or prior coordination. A number of UNRWA international staff were refused permission to cross Erez for unspecified reasons at different times, often for extended periods, and then later cleared without explanation. This resulted in some staff being kept in the Gaza Strip and others being stuck on the Israeli side of the crossing, unable to return to their duty stations in the Gaza Strip. In January 2004 new procedures were put in place requiring that the Agency give "five working days'" written notice to the Israeli authorities before permission would be granted to individuals except United Nations officials and diplomats

accredited to Israel with identity cards issued by the Israeli Ministry of Foreign Affairs to cross into the Gaza Strip for the first time. The Israeli authorities have frequently not met the "five working day" deadline. On numerous occasions, therefore, official visitors, including visitors from other United Nations agencies, consultants and UNRWA staff members from other fields have had to delay or cancel their trips and UNRWA has had to move meetings originally scheduled for the Gaza Strip to other venues, all at Agency expense. Following a number of Palestinian attacks directed against the IDF at the Erez crossing and the neighbouring industrial zone, culminating in an attack on several vehicles on 6 March 2004, the Israeli authorities imposed a series of restrictive measures adversely affecting UNRWA staff and Agency operations. One such measure prohibited all United Nations staff from crossing Erez by vehicle unless accompanied by a staff member with a diplomatic visa from the Israeli Ministry of Foreign Affairs. At another point, all United Nations officials were required to go through the area of the crossing reserved for Palestinian labourers (a long, concrete-walled walkway with narrow passages defined by wire fences, barbed wire and metal turnstiles) on foot. Owing to the security risks associated with such passage, the United Nations quickly took the decision not to allow staff to cross on foot in this way. Many staff were then for a period of weeks only able to cross in and out of the Gaza Strip when ferried by senior United Nations officials holding Israeli diplomatic visas. While this restriction was in principle rescinded as of 7 April, it was suddenly reintroduced for several days later in the month and was rescinded again only on 21 April 2004. On 13 May, Israeli authorities at Erez issued an instruction that only "diplomats" would be permitted to cross Erez and that they would not be permitted to carry "non-diplomats" in their vehicles. This restriction was lifted at the end of the day, but not before one staff member had missed his flight home. In addition, from April 2004, the Israeli authorities have insisted that UNRWA staff members exiting from the Gaza Strip at Erez stop at the Palestinian checkpoint and wait for the Palestinian Authority guards to telephone the Israeli authorities at Erez and receive clearance for UNRWA staff to proceed to the first Israeli checkpoint. This requirement has resulted in UNRWA staff being held up for extended periods, often hours, at the Palestinian checkpoint, exposing them to unnecessary danger when, as has happened repeatedly, firing breaks out between the IDF and suspected militants or the IDF fires warning shots in the area.

153. *Allenby (King Hussein) Bridge*. During the reporting period, Allenby Bridge was open but operated on restricted hours. In March 2004, the Israeli authorities discontinued the prior practice of searching United Nations vehicles crossing from Jordan to the West Bank, a requirement which had prevented most UNRWA vehicles, including the courier vans carrying the Agency's diplomatic mail, from crossing the bridge, and had required costly and inefficient back-to-back arrangements. The new procedures led to an immediate improvement in the Agency's ability to transport official pouches and ferry UNRWA staff members needing to travel to and from the Agency's Amman headquarters. In addition, for international staff based in the West Bank or the Gaza Strip and holding an Israeli Ministry of Foreign Affairs card, the Israeli authorities no longer insisted on a search of staff members' personal luggage. Local staff with West Bank identity cards who were under the age of 36 years were required, during part of the reporting period, to have prior permission from the Israeli Civil Administration in order to leave the West Bank, although this requirement was lifted in early 2004. Since mid-2002, the Israeli authorities have limited the number of persons holding West Bank

identity cards allowed to cross Allenby Bridge to Jordan. Such persons, including UNRWA local staff, were required to obtain a reservation from the Palestinian Authority and commence their travel from a "rest house" in Jericho, sometimes having to wait overnight for transport from the "rest house" to Allenby Bridge. As of the last week in June 2004, the Israeli authorities were not allowing UNRWA staff members holding Jerusalem identity cards to use the UNRWA courier vehicle to cross between the Israeli and Jordanian terminals, frequently causing hours-long delays in crossing times.

154. *Ben Gurion Airport*. During the reporting period, the Agency continued to be unable to obtain permits for staff members with West Bank identity cards to use Ben Gurion Airport. As a result, such staff members who needed to fly to other destinations were required to travel to Amman and to use the airport there. There were several reports during the reporting period from international staff members of long delays at Ben Gurion Airport while extensive questioning and baggage searches were carried out, both on departure and arrival.

155. *Rafah crossing*. Rafah crossing generally remained the only point of exit from the Gaza Strip that was available for UNRWA local staff travelling on official business to the Agency's other fields of operations. The crossing remained under severe restrictions, with limitations based on both age and gender being imposed from time to time. The crossing was completely closed for 22 days during the reporting period. In addition, some 105 staff members were affected by partial closures and delays, compelling them to spend a night at the terminal under very difficult conditions and without adequate facilities. These delays, together with the additional time and distance involved in having to travel through Egypt and go by air from Cairo, have greatly increased travel time and expenses for Agency staff members. A trip that would be a matter of hours by road from the Gaza Strip to Jordan and the Agency's headquarters there, or to Ben Gurion airport, ordinarily takes two days.

156. *International drivers*. The continuing prohibition on local staff with Gaza Strip or West Bank identification cards driving in Israel or East Jerusalem has compelled the Agency, at considerable additional cost, to continue to use international drivers for all courier routes. The severe restrictions imposed on Agency local staff travelling throughout the West Bank and fears for their safety forced the Agency to use international staff to help distribute urgently needed food and medicine throughout the West Bank. For example, during the period 1 July to 23 December 2003, the Agency employed one team leader, two convoy supervisors and two drivers/mechanics from the Swedish Rescue Services Agency and from January 2004 until the end of the reporting period, the Agency continued to employ two convoy supervisors.

157. *Staff visas*. Obtaining visas for the Agency's international staff from the Israeli Ministry of Foreign Affairs became more time-consuming and difficult during the reporting period. Five UNRWA international staff members were denied visas by the Ministry of Foreign Affairs during the reporting period. In addition, during the reporting period, the Israeli authorities failed to act on the Agency's long-standing applications for service visas for some 40 UNRWA local and international staff members, most of whom are assigned to duty stations in Jordan, but who need to travel to the West Bank field or to the Agency's headquarters in the Gaza Strip. In the Syrian Arab Republic, there were several changes to visa procedures during the

reporting period which caused some staff members to be delayed at the borders owing to border officials not being aware of the new procedures. Starting in April, UNRWA and other United Nations locally recruited staff travelling on United Nations laissez-passer began to face problems at border crossings when departing from the Syrian Arab Republic and were either delayed for long periods or refused permission to cross. The situation remained under discussion with the Ministry of Foreign Affairs at the end of the reporting period. There was also a proposed change in the procedure for the issue and renewal of residence visas and identity cards for internationally-recruited staff and their dependants, with the responsibility for such issuance being transferred from the Ministry of Foreign Affairs to the Ministry of the Interior, which would then apply "normal immigration procedures" in respect of spouses and children. At the request of the United Nations Country Team, the Ministry of Foreign Affairs has promised a general review of this matter internally, followed by consultations with United Nations agencies and diplomatic missions, which were also affected. In the meantime, three-month courtesy visas have been extended to some of the affected staff and their dependants. Finally, a number of requests to the Ministry of Foreign Affairs to facilitate visits to and work inside UNRWA installations by external volunteers, interns and consultant experts received the response that the visits were "not approved". In Jordan, the authorities have refused to renew the yearly residence permit of one staff member who was reassigned to Jordan from the West Bank in 1994. At the end of the reporting period, the Jordanian authorities had granted a visa extension for three months only, while continuing to discuss the matter with UNRWA.

158. *Employment of local staff members in the Syrian Arab Republic and Jordan*. During the reporting period, the Syrian authorities objected to the employment of nine fixed-term locally hired staff members. Six of the staff members were subsequently granted clearance on humanitarian grounds. The Jordanian authorities objected to the employment of 29 local candidates on unspecified security grounds. Three of the candidates were subsequently granted security clearance.

B. Agency services and premises

159. *Provision of services*. In the Agency's view, the continued restrictions imposed by the Israeli authorities on the freedom of movement of the Agency's personnel, vehicles and goods during the reporting period are not consistent with applicable principles of international law, including the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations, the 1949 Fourth Geneva Convention and the 1967 Comay-Michelmore Agreement. The Comay-Michelmore Agreement, inter alia, requires the Government of Israel to "facilitate the task of UNRWA to the best of its ability, subject only to regulations or arrangements which may be necessitated by considerations of military security". The Israeli authorities and the Agency have not been able to agree on the scope or application of the language relating to military security. Restrictions imposed by the Israeli authorities, rather than facilitating the Agency's operations, have continued to disrupt the provision of Agency services in the occupied Palestinian territory during the reporting period. In the West Bank, the extensive closures imposed on cities, towns, villages and refugee camps and the general restrictions imposed by the IDF on the Agency's freedom of movement hampered the operations of all UNRWA departments. In the Gaza Strip, Israeli restrictions on the movement of people and

goods (both internal and external) continued to affect Agency operations during the reporting period.

160. *Access — health*. Access to health service installations in the West Bank during the reporting period was impeded for both patients and staff by measures taken by the IDF that frequently made travelling between towns and villages or even within small areas in the West Bank difficult and at times impossible. Medical staff affected by these restrictions included doctors, nurses, pharmacists, laboratory technicians, physiotherapists and X-ray technicians. During the reporting period, mobile medical teams were often unable to operate and health centres were completely closed on many occasions. The provision of medical services in the Gaza Strip, particularly specialist medical care in fields such as cardiology, paediatrics, gynaecology and ophthalmology, was also affected during the reporting period, as medical staff and health workers were often unable to reach their health centres, particularly in the middle and southern areas of the Gaza Strip. A total of 9,767 working hours were lost by health staff in the Gaza Strip (including specialists, doctors and dentists) who could not reach their duty stations on different occasions owing to disruptions and closures. Access for UNRWA medical teams into closed areas such as Al Mawasi and Swedish Village in the south and Seafa (Dugit) in the north continued to be severely restricted. During the reporting period, UNRWA mobile medical teams were able to make only 9 visits to Dugit and 13 to Al Mawasi.

161. *Access — education*. UNRWA education programmes were adversely affected by the inability of teachers and students to reach Agency schools and training centres throughout the occupied Palestinian territory. In the West Bank, teachers and students were unable to reach their schools because of internal closures, curfews and delays or denials of passage at checkpoints. During the school year from September 2003 to May 2004, 524 school days were lost at the Agency's West Bank schools. Some 6,518 teachers' days were lost, an average of 35 teachers daily (1.8 per cent of the teaching staff), representing an economic loss to the Agency of some $180,387. During the reporting period, 726 instructors' days were lost at the three UNRWA training centres in the West Bank, representing a further economic loss of some $27,951. In the Gaza Strip, the functioning of the Agency's education programme was subject to various constraints, resulting mainly from movement restrictions imposed by the Israeli authorities. Such restrictions prevented approximately 465 teachers, 12 school supervisors and 29 head teachers and assistant head teachers from reaching their workplaces at various times during the reporting period. In the 177 UNRWA schools in the Gaza Strip, some 1,370 school days and approximately 49,634 teachers' days were lost, at an estimated cost to the Agency during the reporting period of $992,680. At the Gaza training centre, 2,465 instructors' days were lost, at an estimated cost to the Agency of $54,230. Since September 2000, approximately 236,405 teachers' days have been lost at UNRWA schools in the Gaza Strip at an estimated cost to the Agency of $4,728,100 in addition to 10,185 instructors' days being lost at the Gaza training centre at an estimated cost of $224,070. Particularly in the Gaza Strip, UNRWA believes that the losses of teaching time, as well as the general situation that has included attacks by the IDF on UNRWA schools during school hours, the wounding of students and staff inside school compounds, as well as shelling, shooting and demolition of houses in civilian areas, have adversely affected the psychological well-being of UNRWA students,

whose fear and loss is manifested in such symptoms as bed-wetting, diminished concentration and significantly lower achievement in major subjects.

162. *Access — relief and social services.* The UNRWA Relief and Social Services Programme was also adversely affected by movement restrictions during the reporting period. Food distribution teams in the West Bank were prevented by Israeli authorities from reaching their distribution points and food distributions to special hardship cases, as well as emergency distributions to the larger refugee population, repeatedly had to be cancelled and rescheduled owing to curfews and closures. Social workers were also regularly denied access to villages and rural areas. UNRWA estimated that Agency social workers were denied such access approximately 40 per cent of the time. In the Gaza Strip, both the Agency's emergency relief operations and its regular relief programmes were repeatedly disrupted during the reporting period. UNRWA faced ongoing difficulties in gaining access for social workers and food distribution teams to assist poor Palestinian families living in the closed areas. In particular, the Agency's Relief and Social Services team was denied access to the Seafa area six times despite prior coordination with the IDF. At the close of the reporting period, the Israeli authorities continued to refuse to allow building materials or UNRWA trucks carrying food aid to be brought into these areas. Distributions under the special hardship cases, the pregnant nursing mothers programme and the emergency programme were conducted despite continuing difficulties in receiving the necessary commodities through the sole commercial entry point for the Gaza Strip (the Karni crossing) and in distributing them when the Gaza Strip was bisected or trisected. The UNRWA emergency food programme was suspended on four occasions during the reporting period, generally because of the closure of the Karni terminal: from 18 August to 8 September 2003, from 26 September to 13 October 2003, from 2 to 25 February 2004 and from 2 to 20 April 2004. When the terminal was reopened at the end of April, new procedures were put in place that were not sustainable by the Agency, resulting in a further suspension of the emergency distribution programme (see paragraph 164 for further details).

163. *Impact of the West Bank wall/fence on Palestine refugees and UNRWA operations.* Additional restrictions on the freedom of movement for both UNRWA and its Palestinian beneficiaries are being created by the wall/fence that the Government of Israel is building in the West Bank and East Jerusalem. Over the course of the reporting period, UNRWA continued to monitor and assess the impact of the wall/fence on Palestine refugees and UNRWA operations. The Agency remains seriously concerned that for large numbers of refugees, access to their land and other sources of livelihood, as well as to health, education, relief and social services, is being drastically restricted and that the resulting emergency will place further strains on the Agency's resources and delivery capacity. According to UNRWA calculations, the wall/fence has already begun to have an adverse effect on access to land, services and livelihoods for a large number of Palestine refugees living in the so-called "seam zone" (the area between the wall/fence and the 1949 "Green Line"/pre-1967 border) or close to the wall/fence. These refugees are being cut off from their agricultural land, traditional places of work or traditional centres for health, education and other services. The wall/fence and its accompanying restrictions on movement will create additional demands on Agency services, while making service delivery increasingly difficult. An UNRWA food security assessment of February 2004, based on a survey among refugee families living in the nine

enclaves of the seam zone in the completed first phase of the wall/fence, confirmed increased food insecurity and a greater reliance on UNRWA food aid than had been the case six months earlier. Refugee respondents reported increased difficulty in gaining access to local markets, distribution centres or agricultural land and water resources and in getting their livestock to pasture. Permits are now required for Palestinians to reside in or enter the seam zone, which is causing problems for, among others, UNRWA mobile health teams. UNRWA has continued to refuse to accept a permit system for the seam zone with regard to access for Agency staff. With respect to the large number of Palestinians wishing to enter the seam zone to access land, UNRWA monitoring indicates that less than half of those requesting such permits are receiving them and that access to land is not guaranteed even for many permit holders. Of the 53 gates currently installed in the northern section of the wall/fence, only 15 are generally open to permit-holders. Each permit holder is restricted to a particular gate, which often has irregular and inconsistent opening and closing times. Reports suggest that many landowners with permits, including refugees registered with UNRWA, are cultivating their land infrequently or not at all and have stopped investing time, labour and resources. Landless labourers are not eligible for permits and are becoming increasingly vulnerable for lack of alternative sources of income. UNRWA is concerned that such problems will be replicated in many rural areas as the wall/fence extends through the middle and southern West Bank. An additional concern to the Agency is the section of the wall/fence being built in the Jerusalem area, in view of the number and importance of UNRWA installations involved and the restrictions on freedom of movement already confronting the UNRWA West Bank staff entering East Jerusalem.

164. *The Karni crossing*. The blanket prohibition on UNRWA trucks moving into and out of the Gaza Strip that was imposed at the beginning of the current intifada continued during the current reporting period. UNRWA continued to route its commercial shipments through the Karni crossing principally in sealed containers, except for construction materials, which enter the Gaza Strip through the Sofa crossing. The Israeli authorities continued during the reporting period to levy a transit charge at Karni on the containers going into and out of the Gaza Strip. At the end of the reporting period, the transit fee on entry for full containers was NIS 150 (approximately $33) for a 20-foot container and NIS 200 (approximately $44) for a 40-foot container. The charge per empty container going out was NIS 150. The Agency's view is that the charge is, in effect, a tax from which United Nations agencies should be exempted by virtue of their privileges and immunities. The Agency has repeatedly requested an exemption on that basis from the Israeli authorities, to no avail. At the close of the reporting period, UNRWA had been forced to pay $329,888 of these taxes. New procedures introduced at Karni at the end of March 2004, after an empty container from the Gaza Strip had been used to conceal two Palestinian militants who then carried out an armed attack in the port of Ashdod, allowed loaded containers to enter the Gaza Strip, but blocked the return of all empty containers to Israel. On 1 April 2004, when some 40 UNRWA containers had accumulated inside the Gaza Strip, the Agency decided to halt further delivery of containers to the Gaza Strip until a solution could be found for the empty containers. This required the Agency to suspend the distribution of emergency food aid to some 600,000 refugees in the Gaza Strip. As of 8 April 2004, the Israeli authorities announced that the terminal would be open again to allow empty containers to be taken out of the Gaza Strip, but they insisted on having holes drilled or punched by the transporter into the walls of certain containers, in order to carry

out searches of any possible hollow spaces. As soon as the Agency learned of the new procedure, it refused to allow its transporter to continue to damage the containers by punching or drilling holes without assurances from the Israeli authorities that they would cover the full costs of drilling and repair, including replacing damaged containers if necessary. The Israeli authorities have declined to provide such assurances. The additional inspections in any case created further delays in returning empty containers to the Port of Ashdod, resulting in additional demurrage costs to the Agency. Deliveries through Karni continued at a reduced rate until 16 May 2004 when the Israeli authorities again imposed a ban on the movement of empty containers out of the Gaza Strip pending the acquisition from abroad of a new X-ray machine that would be capable of handling an entire empty container. As at the end of the reporting period, the Agency had 31 empty containers still stuck inside the Gaza Strip accumulating demurrage charges. In an effort to allow some UNRWA cargoes of humanitarian goods to enter, in mid-June the Israeli authorities proposed, and agreed to pay the basic costs for, a procedure of back-to-back transfer under which UNRWA cargoes would be off-loaded from the containers on the Israeli side of the terminal, placed on wooden pallets and moved to the Palestinian side, where they would be reloaded into Palestinian trucks for delivery to the UNRWA warehouse. This procedure continued until the end of the reporting period, but was unsatisfactory from the Agency's view, since, among other things, all costs were not absorbed by the Israeli authorities, there was substantial spillage and breakage in the process and the system seemed capable of handling no more than four to six container loads per day, whereas the Agency needed to bring in an average of 20 container loads per day. As at the end of the reporting period, UNRWA had approximately 250 containers destined for the Gaza Strip already on the docks in Ashdod, some 440 due to arrive in July and another 400 in August, with no solution yet being found for the bottleneck at the Karni terminal. As a result, the distribution of emergency food aid for Palestine refugees in the Gaza Strip that had been scheduled to start in mid-June had to be delayed until at least late July. The extensive closures of the Karni crossing that have occurred since April 2002 — compounded by the delays in allowing empty containers that have entered the Gaza Strip to be taken out — have caused the Agency to incur excess storage and demurrage charges of some $480,560 from April 2002 to the end of the current reporting period.

165. *Ashdod port.* The Agency continued to experience difficulty and incurred additional expense during the reporting period owing to procedures introduced at Ashdod port in December 2001 that require every UNRWA shipment to be security checked by the Israeli authorities before being cleared by Israeli customs officials. In addition to random physical searches, the security check procedure includes X-raying samples from approximately 5 per cent of the contents of each consignment. Since November 2002, physical searches have been reduced to 25 per cent of each consignment regardless of the country of origin of the goods, although the Israeli authorities maintain that this is subject to security considerations which may necessitate a 100 per cent check for goods from some countries. The procedure has continued to result in delays and in the incurring of excess handling, storage and demurrage fees for which the Agency has requested, and been denied, reimbursement by the Israeli authorities. In February 2004, an X-ray machine capable of X-raying complete containers was installed at Ashdod port, which has reduced the time needed for security clearance of consignments. In addition to the security checks, there have been other restrictions on imports imposed by the Israeli

authorities, which the Agency regards as impermissible under the 1946 Convention on the Privileges and Immunities of the United Nations. Since the beginning of the reporting period, five consignments of chemicals being imported by UNRWA for use in the Agency's health, education and sanitation programmes in the West Bank and Gaza Strip have been refused entry by the Israeli authorities, incurring approximately $12,900 in additional storage and related fees.

166. *Passage through checkpoints*. UNRWA vehicles carrying Agency staff members within the occupied Palestinian territory were regularly stopped at checkpoints, often for extended periods of time, while identity checks and searches were carried out. During the reporting period, there were some 1,340 significant incidents of denial of entry or delay of UNRWA staff and vehicles at checkpoints in the West Bank, involving some 6,852 UNRWA employees and resulting in 16,120 lost working hours (equivalent to 2,149 working days). In some instances, staff members' UNRWA identification cards were confiscated, and occasionally summonses were issued to staff members instructing them to appear for questioning. On a number of occasions, staff members waiting at checkpoints were abused and even physically assaulted by IDF soldiers. For example, in separate incidents on 30 September 2003, 21 October 2003, 10 February 2004, 30 May 2004, 2 June 2004 and 19 June 2004, UNRWA staff members passing through checkpoints in UNRWA vehicles had guns pointed at them or their vehicles, sometimes in a very threatening manner, by IDF soldiers. On 15 January 2004, an IDF soldier at the Kufr Qud checkpoint struck an UNRWA staff member twice in the face with his fist. On 27 March 2004, at a mobile checkpoint in the Hebron area, IDF soldiers abused and physically assaulted an UNRWA teacher until he started coughing up blood and was about to lose consciousness. In the Gaza Strip, UNRWA vehicles were often kept waiting at the Abu Houli-Gush Qatif checkpoint while identity checks and searches were carried out. In one incident, on 17 June 2004, as an UNRWA driver was waiting to cross the Abu Houli checkpoint in an UNRWA bus, which was already filled with some 60 Gaza training centre students, an IDF soldier ordered him to pick up and transport to Khan Younis some 30 Palestinians who were waiting at the checkpoint. The Agency protested these incidents to the Israeli authorities, but as at the end of the reporting period, has received no response.

167. *Searches of vehicles and goods*. In addition to the search procedures at the Erez and Allenby Bridge crossings and at Ashdod port discussed above, the Israeli authorities in the occupied Palestinian territory have frequently demanded to search UNRWA vehicles. It is the Agency's policy to refuse such demands and to protest against such searches when they occur. Nevertheless, the Agency has on occasion submitted to searches, under protest, either because local staff were threatened or because vehicles carrying urgently needed humanitarian supplies or on other urgent missions would otherwise have been denied access to a given area. In the Gaza Strip, the Israeli authorities have demanded to search UNRWA vehicles operating in the area with increased frequency. For example, as indicated in the preceding paragraph, on several occasions in March and April 2004 the IDF required UNRWA personnel to disembark from UNRWA buses waiting at the Abu Houli-Gush Qatif junction in order that the buses and the staff be searched. Moreover, Agency vehicles are required to be searched by IDF soldiers or sniffer dogs prior to being allowed to enter the Al Mawasi, Seafa and Muhata closed areas in the Gaza Strip, while UNRWA staff members are required to remove their protective clothing and equipment, put this equipment and any other items being carried in their vehicles

through a mobile X-ray machine and walk through a metal detector. This process leaves the staff members completely exposed to possible gunfire, which periodically erupts in these areas, while the IDF soldiers are protected behind concrete walls or inside steel reinforced concrete towers.

168. *Construction projects*. During the reporting period, UNRWA construction projects in the occupied Palestinian territory were delayed or stopped altogether owing to the restrictions on movement of personnel, vehicles and goods as well as to a lack of construction materials. In the West Bank, for example, of 27 construction projects under way during the reporting period, 18 were delayed and one had to be cancelled indefinitely because of restrictions on freedom of movement and lack of construction materials. In the Gaza Strip, for the same reasons, five construction projects, with an overall budget of some $2.8 million, were suspended for a cumulative total of 443 days, while another 28 construction projects, with a value of some $7.2 million, were partially stopped, and 21 environmental health infrastructure projects, with a budget of $10.9 million, were delayed. The repair of 867 shelters in Rafah, Khan Younis, Deir El Balah and Beit Hanoun was suspended until further notice as the shelters were situated close to Israeli settlements or IDF military observation posts and in danger of being damaged or destroyed by IDF operations. In Lebanon, during the first six months of the reporting period, construction projects valued at a total of $5,074,150 were delayed owing to restrictions on movement of materials into the camps by the Lebanese Army. The situation improved following discussions with the Lebanese authorities.

169. *The Operations Support Officer Programme*. The Operations Support Officer programme has continued during the present reporting period, with a complement of 10 international staff members in the West Bank and 4 in the Gaza Strip. The programme is designed to reinforce the Agency's existing operations in its core areas of relief and social services, health and education and to help deal with the increasingly severe access restrictions being imposed on these operations by the Israeli authorities. The programme played an invaluable role during the reporting period in facilitating access of staff members and UNRWA vehicles, including ambulances and humanitarian convoys, through checkpoints in the West Bank and into closed areas and other areas affected by ongoing IDF military operations in the Gaza Strip, in reporting on the developing humanitarian crisis among the Palestinian population to which UNRWA provides assistance and in ensuring that the Agency is able to carry out regular monitoring and inspection of UNRWA installations to confirm that they are not being used for any unauthorized or improper purposes. In the West Bank, the programme has also focused on monitoring the humanitarian impact of the wall/fence, concentrating on key issues such as access, health, education and socio-economic factors, especially with regard to refugee populations caught within the seam zone or enclosed areas. In the Gaza Strip, the programme has successfully supported Agency operations and improved the access of Agency vehicles and staff into closed areas, where Agency operations have otherwise been seriously disrupted. Through their presence, international staff assigned as Operations Support Officers have been able to provide a measure of general assistance and passive protection for Agency local staff when accessing sensitive or closed areas and occasionally to the inhabitants of those areas.

170. *Armed interference by Israeli authorities*. The Agency has been particularly concerned at the continuing level of armed interference with UNRWA personnel and vehicles by members of IDF during the reporting period. The security of staff

members is an issue of utmost and ongoing seriousness for the Agency. IDF soldiers at the numerous checkpoints and other locations throughout the West Bank on many occasions failed to show respect for UNRWA personnel, vehicles or identification cards. On-duty staff members have had their UNRWA identification cards destroyed or confiscated, been detained at checkpoints unjustifiably and been verbally abused, physically assaulted, threatened at gunpoint and shot at. For example, on 28 January 2004, during the IDF incursion into the Zaitoun quarter in the south of Gaza City, IDF opened fire on UNRWA ambulances and medical teams. An UNRWA ambulance was hit by a bullet in the left front tyre, causing a puncture. The ambulance was parked at the time of the incident and the driver was moving an injured person into the back. Fortunately, neither the driver nor the patient were injured as a result of this incident. In the West Bank, on 12 May 2004, IDF military jeeps obstructed ambulances that had come to Balata camp from different organizations, including UNRWA, to evacuate injured residents and transport them to hospitals in Nablus. IDF prevented the ambulances from leaving the area, using them as shields against stone-throwing local youths. Fortunately, there were no patients in the UNRWA ambulance at the time of the incident and no one was injured. However, the ambulance was damaged by the stone throwing. Agency staff on duty in UNRWA facilities have also been subjected to maltreatment by IDF. For example, on 24 September 2003, approximately 40 IDF soldiers, Israeli Border Police and Israeli police forced their way into the Agency's Qalqilia Hospital searching for a wounded Palestinian even though they had been assured by the hospital staff earlier that morning that there was no such wounded patient in the hospital. During the armed incursion, staff and patients were abused, doors were forced and locks were shot open. The Hospital's Director and Administration Officer were used as human shields during a room-by-room search of the premises, and they were threatened that they would be killed and the hospital demolished if they did not cooperate. The search confirmed that there was no wounded Palestinian on the premises. On 13 January 2004, during a large-scale IDF military operation in Tulkarem refugee camp, IDF troops forcibly requisitioned the UNRWA compound and held some 200 women and children there for almost 36 hours. Ten male UNRWA staff members were forced to spend the night in the compound. On four different occasions during the reporting period, between 40 and 50 IDF soldiers forcibly entered UNRWA training centres in the West Bank in the middle of the night, tied up the guards and forced UNRWA staff members to lead them to the dormitories, where trainees were then subjected to assault and interrogation. In three of the incursions, eight trainees were arrested.

171. *Armed interference: IDF shooting at schools; injuring of students and staff members*. Throughout the reporting period, there have been numerous instances in which staff and students in schools operated by the Agency have been put at risk owing to actions of the Israeli security forces. In the occupied Palestinian territory as a whole, 29 UNRWA students were killed and 147 injured as a result of the ongoing conflict, including 14 students injured while inside their schools. Two UNRWA teachers were also injured on UNRWA school premises by IDF attacks during the reporting period. In the period from October 2000 through 30 June 2004, according to statistics maintained by the Agency, a total of 135 UNRWA students were killed in the conflict and 1,527 injured. There were six instances where tear gas canisters and/or sound bombs were thrown inside UNRWA school compounds causing injury and creating panic among pupils and staff. In most cases, pupils and staff suffered from tear gas inhalation, while in one case a tear gas canister thrown

at a window of an UNRWA school in Kalandia camp caused injury by flying glass splinters to the faces and hands of eight students and a teacher. In another case, a tear gas canister thrown through a classroom window at the UNRWA Basic Boys School in the Amari camp caused an 11-year-old pupil suffering from tear gas inhalation to panic and jump out of the window from the second floor, thereby fracturing his heel. In addition, there were instances of intimidation and ill-treatment of pupils. Between 26 February and 1 March 2004, IDF jeeps regularly parked outside the boys and girls schools in the Jalazone camp when children were entering and leaving school. On 26 February 2004, according to UNRWA investigations, four IDF soldiers in a military jeep forced an 11-year-old pupil at the UNRWA Basic Boys School in Jalazone camp inside the jeep and drove him to Doura, some four kilometres away, during which time he was slapped and struck on the head with an M-16 rifle butt. On 28 February 2004, IDF soldiers are reported to have physically assaulted two other UNRWA pupils on the way to school, one, a boy aged 12, who was slapped in the face and jabbed in the abdomen with the muzzle of an M-16, and the other a girl, aged 8, who was kicked and struck on the head with the butt of a pistol.

172. *Armed interference: IDF shooting at schools; injuring of students and staff members — Gaza Strip*. In the Gaza Strip, on 23 September 2003, IDF gunfire repeatedly struck UNRWA schools in Rafah. A 14-year-old boy and an UNRWA teacher in the schoolyard of the El-Omariya Preparatory Boys School were struck by bullets in the right leg and the left thigh, respectively. The school was immediately evacuated. Ten pupils from the Rafah Preparatory Girls "C" School had to be treated for shock and three of them were taken to a nearby UNRWA clinic. A 14-year-old girl injured her head when she fell to the ground in panic. On 30 September 2003, the Agency's Rafah Preparatory "B" Girls School was struck by IDF gunfire. A 15-year-old girl, who was in the schoolyard, was injured in the head by shrapnel and was taken to hospital. On 28 February 2004, a 13-year-old student sitting at his desk in the Agency's Khan Younis Preparatory Boys School was hit by shrapnel in the back of the head. On 1 June 2004, the IDF stationed along the Egyptian border line fired sporadic bursts of automatic weapons in the direction of UNRWA Omariya Elementary Boys School located a few hundred meters away. Two 10-year-old pupils were hit by shrapnel while sitting at their school desk. They were both admitted to hospital in Rafah, one with a light head injury and the other with a serious wound in his neck.

173. *Agency response to armed interference*. The Agency has protested to the Israeli authorities that the actions described in paragraphs 170-172, which interfere with UNRWA installations and endanger the lives of UNRWA staff and students, violate Israel's international legal obligations under general principles of international law, the United Nations Charter, the 1946 Convention on the Privileges and Immunities of the United Nations, as well as in many cases the 1949 Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War and applicable international human rights conventions, particularly the 1989 Convention on the Rights of the Child. The Agency was also concerned at the number of incidents in which IDF operations were carried out in densely populated civilian areas, thereby causing an increasing number of incidental civilian injuries and fatalities. Two off-duty UNRWA staff members were killed by IDF operations in the Gaza Strip during the reporting period. On 11 August 2003, an UNRWA guard was injured at the gate of the Gaza training centre by shrapnel from an IDF

extrajudicial killing carried out some 50 meters away. Two UNRWA sanitation labourers were injured by IDF while on duty in Khan Younis camp on 22 December 2003 and three labourers working on the Agency's Rafah rehousing project were similarly injured in three separate incidents on 17 February, 29 March and 8 April 2004, respectively. Three other UNRWA staff members in the Gaza Strip were injured by IDF action while off duty.

174. *Interference by Israeli settlers*. Israeli settlers in the occupied Palestinian territory, particularly in the West Bank, continued to constitute a threat to the safety and security of Agency staff during the reporting period. There were several occasions where settlers harassed staff members in United Nations vehicles by shouting obscenities, threatening them and spitting at them, and on two occasions settlers obstructed the movement of UNRWA teams at checkpoints, thereby directly interfering with Agency operations. IDF soldiers at these checkpoints did not prevent the settler activity.

175. *Armed interference by Palestinian militants*. There was one instance during the reporting period of armed interference by Palestinian militants with UNRWA personnel and a vehicle. On 11 May 2004 in Gaza City, during the IDF incursion into Zaitoun Quarter, armed Palestinian militants threatened the lives of an UNRWA ambulance team (a driver and a paramedic) and forced them to transport an injured gunman and two of his armed colleagues to a hospital in Gaza City. Following the incident, UNRWA protested to the Palestinian authorities and issued a press statement condemning this action in the strongest possible terms, making it clear that while its ambulances do not make any distinction between the injured, whether they are injured fighters or non-combatants, at no time and under no circumstances should armed men enter any UNRWA vehicle.

176. *Incursions into installations by Israeli authorities*. During the reporting period there were many incursions by IDF into UNRWA installations in the West Bank in contravention of Israel's obligations under international law. For example, in addition to the incidents reported above in paragraph 170 on armed interference, on 27 November 2003, some 20 IDF soldiers forced their way into the Agency's Jenin Rehabilitation Project offices and accessed the main computer server containing all the data for the project. Notwithstanding, the Agency's strong protest immediately after the 27 November 2003 incident, a further incursion into the Jenin Rehabilitation Project offices occurred in the early hours of 20 May 2004. During this incursion, the Jenin project manager was handcuffed, blindfolded and detained in the office for three hours by IDF. On 19 December 2003, IDF troops forcibly entered the Agency's Basic Boys School in the Balata camp when it was not in session and conducted a search. During the incursion, a gate to the school compound was damaged and locks on lavatory doors were broken. On 24 March 2004, an IDF officer entered the UNRWA Health Centre in Hebron and ordered the Medical Officer to evacuate the installation, including staff and approximately 70 patients waiting in the maternity and childcare unit, within 15 minutes because the area was under curfew. In the Gaza Strip on 28 December 2003, an IDF bulldozer supported by a jeep forcibly entered the Agency's Deir El-Balah Elementary Co-ed School (Mazra'a), which is presently unoccupied by the Agency owing to safety concerns for staff and students. The IDF bulldozer levelled part of the schoolyard, causing substantial damage to the school premises before withdrawing. As a result of the incursion, a toilet block, a canteen building, together with its contents, a shed, a classroom, together with its contents, a container and a playground were totally

demolished. In addition, more than 100 metres of boundary walls and fences were destroyed, together with the main entrance gate. Finally, the school's water supply and sewage system sustained damage during the incursion. UNRWA promptly protested the above incident to the Israeli authorities while it was ongoing. Later the same day, IDF informed the Agency that the bulldozing had been a "mistake" and that an investigation would be carried out. The following day, IDF apologized for the incident to the Agency's representatives. The Agency intends to lodge a claim for the damage to the school, totalling some $70,000. In addition, on 19 May 2004, IDF ordered all males aged 16 and above from the Tel El-Sultan quarter in Rafah to gather at the UNRWA Rafah Preparatory Girls "C" School. IDF entered the school and handcuffed and blindfolded about 50 of the Palestinians who had assembled there and took them to a nearby IDF military camp. Following the incident, UNRWA protested to the Israeli authorities.

177. *Incursions into installations by Palestinian militants*. There were several incursions into UNRWA facilities in the West Bank by Palestinian militants during the reporting period for the purpose of celebrating political events. These incursions took place notwithstanding the Agency's strong protests. For instance, on 7 August 2003, a group associated with Fatah broke into the Agency's Elementary Girls School in the Balata camp in order to celebrate the return of detainees released from Israeli prisons. On 3 January 2004, a group of young men associated with Fatah forcibly entered the Agency's Basic Girls School in the Arroub camp to mark the thirty-ninth anniversary of the founding of Fatah. On 2 April 2004, a group associated with Hamas forcibly entered the Agency's Balata Basic Boys School for the stated purpose of commemorating the late Sheikh Ahmad Yassin. On 9 June 2004, five armed Palestinian militants forced their way into the Agency's Jenin Reconstruction Project Office to complain about the construction plans for their family shelters in the Jenin refugee camp. Angry words were exchanged and several shots were fired, one of which hit the wall of the office building. UNRWA unarmed guards and several members of the local community eventually persuaded the gunmen to leave the premises. In the Gaza Strip, on 2 January 2004, dozens of Islamic Jihad masked men, including gunmen, broke into the Agency's Beit Lahia Elementary Co-ed School to prepare themselves for a demonstration. UNRWA staff members and police persuaded them to leave the premises. Palestinian militants attempted on two occasions during the reporting period to enter UNRWA installations in Rafah and Khan Younis for the purpose of using them as a base from which to conduct military operations. On a third occasion, some 15 armed Palestinians forcibly broke into an UNRWA school compound in the middle of the night. On all three of these occasions, UNRWA staff members successfully demanded that the militants leave the premises before they took any action. The Agency strongly protested these incidents to the Palestinian authorities and asked them to take measures to ensure the protection and security of UNRWA installations and to prevent such incursions and activities from occurring in future.

178. *Incursions in Lebanon*. In Lebanon, there were several incursions by the Popular Committees into the Agency's schools and health centres in various refugee camps, in the case of schools usually to urge the Agency to close them for political reasons.

179. *Protests*. The Agency has strongly protested to the relevant authorities against forcible incursions into its installations. The Agency has long-established policies and procedures in place to deal with requests for carrying out searches of UNRWA

installations and to cooperate with any reasonable investigation that might be required by police, military or judicial authorities. In the Gaza Strip, on two occasions, in order to prevent the occurrence of incidents involving Palestinian militants and to ensure the inviolability of UNRWA premises, the Agency requested, and was provided with, protection for its installations by the Palestinian Authority.

180. *Damage to UNRWA installations and vehicles — West Bank*. IDF caused substantial damage to UNRWA installations during the reporting period, although not to the same extent as in the previous reporting period. In the West Bank, some 10 installations and 3 vehicles were damaged by IDF actions, including gunfire, armed incursions and demolitions of nearby structures. The damaged installations included schools, health clinics and the Agency's hospital in Qalqilia. Damage caused to Agency installations and vehicles by IDF in the West Bank during the reporting period amounted to approximately $15,500.

181. *Damage to UNRWA installations and vehicles — the Gaza Strip*. In the Gaza Strip, 27 UNRWA installations were damaged during IDF military operations, many of them on more than one occasion, mostly in the Rafah and Khan Younis areas. The damage occurred as a result of Israeli military gunfire, sometimes in response to firing by Palestinian militants, sometimes for no apparent reason. For example, the Khan Younis Preparatory Boys School was damaged six times by IDF fire and the Rafah Preparatory "C" Girls School was damaged five times. In total, 23 UNRWA schools sustained damage estimated at $107,820. Total damage caused to Agency installations and vehicles by IDF in the course of military operations in the Gaza Strip during the reporting period amounted to approximately $116,375.

182. *Claims filed*. On 22 February 2004, the Agency submitted claims to the Israeli Ministry of Foreign Affairs for compensation by the Government of Israel for damage caused to UNRWA property in the occupied Palestinian territory for the period from 1 January to 30 June 2003, amounting to $44,207. Total claims submitted to the Government of Israel for damages to UNRWA property since the beginning of the current intifada now amount to $722,950. As at the end of the reporting period, the Agency had not received any response from the Government of Israel on these claims. The Agency intends to submit in due course additional claims for the damages incurred during the reporting period.

183. The Government of Israel has repeatedly stated that it is supportive of the UNRWA mandate. The Agency is engaged in a continuing dialogue with the Government of Israel concerning the ongoing impediments being encountered by the Agency in carrying out its operations in the occupied Palestinian territory. In spite of the occasional resolution of some issues, such as the improvement in access procedures at Allenby Bridge, there was no improvement in the overall situation during the current reporting period compared to the previous one. In many respects, particularly with regard to the situation at the Erez and Karni crossings and the access problems being created by the new wall/fence in the West Bank, the ability of UNRWA to conduct operations continued to deteriorate.

C. Other matters

184. *Functioning of headquarters*. The operations of the Agency's Gaza and Amman headquarters were adversely affected by Israeli restrictions on the freedom of movement of UNRWA local and international staff in and out of the Gaza Strip.

UNRWA protested vigorously to the Israeli authorities against these measures, noting in particular that the various new restrictions imposed on the movement of United Nations officials were violations of the Agency's privileges and immunities under international law.

185. *Legal advice and assistance*. UNRWA was prepared to provide legal advice and assistance to refugees applying for family reunification in the Gaza Strip. Since September 2000, however, the Israeli authorities have stopped accepting applications for family reunification. Prior to the cessation, there were 400 such applications pending with the Israeli authorities that had been submitted by UNRWA through the Palestinian Liaison Committee. The Agency continued to respond to requests for confirmation of refugee status from Palestinians and from governmental and non-governmental organizations worldwide.

186. *Reimbursement of taxes and other charges*. During the reporting period, the Agency was reimbursed by the Palestinian Authority some $10.8 million for VAT paid by the Agency in prior years. At 30 June 2004, the total amount of VAT still due to the Agency from the Palestinian Authority was approximately $13 million. The Palestinian Authority has acknowledged that reimbursement is due to the Agency for these taxes, but has asserted that it faces a critical financial shortage resulting in part from the failure of the Israeli authorities to pay over to the Palestinian Authority substantial amounts of VAT and other taxes. Effective 1 October 2003, the Palestinian Authority decided that all new contracts entered into by UNRWA in the Gaza Strip would be subject to VAT and that the previous "zero rating" policy that had been in effect since 1 January 2002 was no longer applicable. The issue of reimbursement by the Government of Israel of port and related charges incurred by the Agency in connection with goods imported to the Gaza Strip and the West Bank through Israel remains unresolved. Since June 1994, in the case of cargo destined for the Gaza Strip, and January 1996, for cargo destined for the West Bank, UNRWA has been paying all charges for Agency cargo arriving at Israeli ports. These charges were previously paid by the Israeli authorities. The Agency's position is that the obligation to pay port and related charges remains with the Government of Israel pursuant to the terms of the 1967 Comay-Michelmore Agreement. The total amount of port charges due to the Agency at 30 June 2004 is approximately $15.2 million. During the reporting period, the Agency continued to be required to pay port fees and charges to the Syrian authorities, which the Agency maintains is contrary to the 1948 Agreement between the United Nations and the Government of the Syrian Arab Republic known as the Count Bernadotte Agreement. While the Ministry of Foreign Affairs of the Syrian Arab Republic has declared itself disposed to consider the Agency's case, the matter remained unresolved at the end of the reporting period.

187. *Restrictive procedures*. In the Syrian Arab Republic, the Agency continues to be required to submit its customs declaration forms with commercial invoices for endorsement by the Boycott Office. While no imports have been refused as a result of this requirement, the Agency has again protested the requirement to the Syrian authorities on the grounds that UNRWA imports should not require such an endorsement. With respect to the importation of vehicles, the Syrian Government has reaffirmed that there is no limitation on the number of vehicles that UNRWA may import for the purpose of carrying out its operations. In practice, however, the Syrian authorities continue to make the importation of new vehicles contingent on the deletion of the records of existing vehicles, on a one-for-one basis, which

represents a de facto limitation. This resulted in a delay of more than six months in the importation of some 19 vehicles during the reporting period. The Agency continues to pursue these matters with the Syrian Ministry of Foreign Affairs. The Ministry has agreed to review the situation with respect to vehicle imports to try to find a solution. In Jordan, the Agency is facing difficulty obtaining approval from the Ministry of Foreign Affairs for the CD registration of a limited number of new Agency vehicles. The Ministry requires justification for requests submitted to them and this process has led to lengthy delays in registering the vehicles.

188. *Vehicle insurance and licensing in Israel*. During the reporting period the Agency held several discussions with the Israeli authorities over the issue of vehicle insurance for UNRWA vehicles registered with the Israeli authorities for use in Israel, the West Bank, including East Jerusalem, and the Gaza Strip. UNRWA procures such insurance under a global policy from a Palestinian insurance company that covers UNRWA vehicles in all of its five fields of operation and in Israel. At the close of the reporting period, the Israeli authorities continued to refuse to recognize the Agency's Palestinian insurer and the Agency was working with the insurer to find a practical solution that would satisfy the Israeli authorities and still meet the Agency's needs for fleet insurance that would cover vehicles in all of its five fields as well as in Israel. Although the Israeli authorities informed UNRWA that instructions had been given to the police not to enforce, temporarily, the laws relating to Israeli vehicle insurance against UNRWA staff members driving UNRWA vehicles, several staff members driving UNRWA vehicles in the West Bank and carrying valid insurance from the Agency's Palestinian insurer were arrested during the reporting period and charged with driving without valid insurance. The Agency has requested the Israeli Ministry of Foreign Affairs to have the charges dismissed or suspended. Some UNRWA staff members with West Bank identity cards driving UNRWA vehicles were stopped by the police during the reporting period and given summonses based on the fact that their UNRWA vehicles had licence plates issued by the Government of Israel. Under the military orders that apply in the occupied Palestinian territory, Palestinians who have West Bank identity cards are prohibited from driving Israeli-licensed vehicles. In response to the Agency's protests, the Agency was informed that the IDF had modified the relevant orders to allow UNRWA staff members with West Bank identity cards to drive Israeli-licensed UNRWA vehicles in the West Bank. The order applies, however, only to the West Bank as defined by Israel, so it does not allow such staff members to drive in East Jerusalem.

189. *Entry to the Syrian Arab Republic*. Since March 2003, an UNRWA auditor has been refused entry to the Syrian Arab Republic despite having a valid United Nations laissez-passer, visa and national passport. UNRWA took this issue up again on several occasions with the Ministry of Foreign Affairs during the reporting period, most recently on 29 June 2004, but without success.

Chapter V

Jordan

A. Education

190. *Elementary and preparatory schooling*. During the period under review, the 190 Agency schools in Jordan accommodated 134,195 pupils in the six-year elementary cycle and four-year preparatory cycle in 2003/2004, a decrease of 1,154 pupils (0.85 per cent) compared with the previous academic year. The decrease in enrolment was attributed to several factors, including the transfer of refugee pupils from UNRWA schools to newly constructed government schools in the vicinity of refugee camps, the shorter school week in government schools (five days as compared with six days in UNRWA schools) and the predominance of a single shift in government schools. As a result of curriculum changes introduced by the Jordanian Ministry of Education, computer science instruction for the preparatory cycle was expanded and upgraded. Fourteen computer laboratories were donated to UNRWA schools.

191. *Education infrastructure*. The poor physical condition of many UNRWA school premises in Jordan continued to be of concern to the Agency. A total of 47 unsatisfactory rented schools accounted for 24.7 per cent of the 190 schools used by the Agency in the field. The reconstruction of one school building was under way to replace two old and unsatisfactory rented school buildings, two classrooms and two canteens. Nine water tanks and three canteens were constructed.

192. *Special education*. The special education project continued to provide services to children with learning difficulties in the elementary cycle and included 81 deaf children, 1 blind child, 1,000 low achievers and slow-learning pupils and 480 pupils who needed remedial classes during the academic year 2003/2004.

193. *Vocational and technical training*. A total of 1,317 trainees, including 516 women, were enrolled in 16 trade courses and 12 technical/semi-professional courses at the Amman Training Centre and the Wadi Seer Training Centre during the 2003/2004 academic year. In keeping with the previous year, technical/semi-professional trainees maintained excellent results in the comprehensive examinations for community colleges administered by the Jordanian Ministry of Higher Education in July 2003, attaining pass rates of 95.81 per cent at the Amman centre and 91.84 per cent at the Wadi Seer centre, as compared with the national average of 65.96 per cent in corresponding subjects.

194. *Educational science faculty*. The educational science faculty at the Amman training centre provided pre-service training for 502 UNRWA students, including 357 women. During the reporting period, 107 students graduated from the pre-service programme, all of whom were awarded an accredited bachelor's degree in education.

195. *University scholarships*. By the end of the school year 2002/2003, all 14 scholarship students had graduated. In addition, there are now 20 special hardship case scholarships for the Jordan field sponsored by an individual donor. Through a new five-year scholarship project, one distinguished special hardship case pupil was selected for a scholarship for the 2003/2004 academic year.

B. Health

196. *Primary care*. UNRWA provided health-care services to Palestine refugees in Jordan through a network of 23 primary health-care facilities, 13 of which were inside refugee camps and 10 outside the camps. The ratio of primary health facilities per 100,000 registered refugees was 1.4 compared to an Agency-wide average of 2.9. Budget allocations for medical care services per person were $5.2 only, compared to an Agency-wide average of $11.3 in 2004. The modest number of primary health facilities and the uneven distribution of these facilities, where only 18 per cent of the registered refugees in Jordan live in camps, affected access to/and utilization of UNRWA health services. Refugees who do not have easy access to UNRWA health services have no option but to use government or private sector services. During the reporting period two health centres were constructed and equipped in the Jordan Valley to replace old unsatisfactory rented premises and the polyclinic in Amman City was moved from an old unsatisfactory rented premise to a new building in a densely populated area. Works were also completed for the extension of two primary health-care facilities and arrangements were completed for the conversion of four mother and child health centres into comprehensive health centres, providing a full range of preventive and curative services. Five additional dental clinics were established and 11 old units were replaced.

197. *Secondary care*. The new decentralized system for reimbursement of claims incurred by refugees for their treatment in government and private hospitals was fully implemented. Owing to the high demand for the reimbursement scheme generated by increased socio-economic hardship, the budget for assistance towards hospitalization costs was increased, although because of funding shortfalls, it still remained below the level of the budget approved 10 years ago.

198. *Cooperation with the Government of Jordan*. The Jordanian Ministry of Health met the Agency's requirements for all vaccines used in the expanded programme on immunization. This took the form of in kind contributions. The Ministry also provided contraceptive supplies used in the family planning programme and drugs for the treatment of tuberculosis. UNRWA coordinated its activities with the national programmes on HIV/AIDS and tuberculosis and streamlined its immunization policies with the national programme on immunization. UNRWA also participated in all meetings, workshops and conferences organized at the national level in collaboration with WHO, as well as in intercountry meetings organized by WHO in Jordan. The Government of Jordan completed a project for construction/rehabilitation of water and sewerage systems in the Suf refugee camp, leaving only two camps to be connected with the municipal sewerage systems. In addition, construction/maintenance of roads and drainage were completed in two camps through a joint UNRWA/Government of Jordan project. The Ministry of Health also introduced new programmes for improving children's and family health, including mandatory pre-marital testing to prevent haemoglobinopathies such as thalassemia, and distribution of vitamin tablets to all schoolchildren, including those in UNRWA schools. The Ministry also issued a decree to facilitate free-of-charge access of children below five years of age to the full range of preventive and curative services, including hospital care.

C. Relief and social services

199. *Refugee registration.* As of 30 June 2004, 1,758,274 persons were registered with UNRWA in Jordan. This reflected an increase of 2.3 per cent over the previous reporting period.

200. *Special hardship programme.* At the end of June 2004, the number of persons enrolled in the special hardship programme was 46,683, representing 2.7 per cent of the registered population. This relatively low percentage partially reflects the access that many of the refugees have to government services by virtue of their status as Jordanian citizens. However, with high unemployment (13.7 per cent) and with approximately 11 per cent of the population including refugees living below the poverty line, a considerable number of refugees sought assistance from UNRWA. Even though the Jordan field was able to increase the numbers of families registered as special hardship cases by 4.84 per cent, hundreds of other applicants could not be assisted owing to lack of funds. Some 706 special hardship case rations were provided for two distribution cycles to 151 refugees who fled Iraq and requested assistance from UNRWA in Jordan.

201. *Selective cash assistance.* A total of $98,119 was distributed as direct cash aid to 871 refugee families facing emergency situations or exceptional difficulties, whereby the average size of the grants per family was $112.7.

202. *Shelter rehabilitation.* At the end of the reporting period, 504 shelters were still in urgent need of rehabilitation at an estimated cost of $6,946,092. This was confirmed by a comprehensive survey of all shelters of the special hardship case families which was conducted in the 10 official refugee camps in order to assess actual needs and set priorities. Owing to lack of funds, no shelters were rehabilitated during the reporting period.

203. *Microcredit community support programme (MCSP).* In the context of the new MCSP strategic direction in lending activities and based on a needs assessment survey, two loan products were piloted in the Jarash camp. As a result, 38 loans were issued for the amount of $50,438 as Housing Improvement Loans. Under Group Guaranteed Lending, 61 loans were issued to women for the total amount of $37,446. A total of 86 Small-Scale Enterprise (business) loans were issued for $307,680. This loan programme is in the process of being phased out. In December 2003, the Self-Support project was replaced by soft loans. A total of three loans were issued to special hardship case families for the amount of $9,025.

204. *Women's programme.* The Women's Programme Centres served a total of 27,889 women, of which 18,340 participated in the awareness sessions and 9,549 benefited from skills training. The two legal advice bureaux served 318 women and men, while a total of 1,271 children benefited from the Women's Programme Centres' kindergartens and nurseries. To further enhance community-based organization operations, local administrative committee members participated in five training workshops covering subjects such as proposal writing, participatory rapid appraisal management and advanced courses on early childhood development.

205. *Disability programme.* The 10 Community Rehabilitation Centres continued to provide rehabilitation services to a total of 1,364 disabled persons. Home-based services were provided to 672 disabled persons and their families. In addition, 196

awareness sessions were held and attended by 5,880 participants and the number of children mainstreamed into regular schools reached 318.

206. *Capacity-building*. Capacity-building efforts continued to improve staff technical skills in their respective areas of expertise. Nine MCSP staff received specialized training on microcredit issues. A total of eight staff participated in gender-related training. One staff member attended the UNICEF regional workshop on the Implementation of Child Rights, which aimed at creating a subregional network of organizations addressing the welfare of Palestinian children. In addition, one staff member attended a workshop organized by UNHCR on Serving and Protecting Refugees.

207. *Special achievements*. A documentary film on the role of Women's Programme Centres in empowering women was produced and then aired on Jordan national television. The Women's Programme Centres at the Amman New Camp is currently constructing rental space for commercial stores, which will serve as income-generation projects for the centre.

Chapter VI
Lebanon

A. Education

208. *Elementary and preparatory schooling*. In the 2003/2004 academic year, the 81 UNRWA pre-secondary schools in Lebanon accommodated 39,249 pupils in the six-year elementary cycle and three-year preparatory cycle. Enrolment decreased by 481 students in the elementary and the preparatory cycle. In the annual brevet examination for students at the third preparatory level, held in July 2003, pupils in Agency schools attained a disappointing pass rate of 44 per cent, compared with 50.61 per cent in government schools. The Agency's education programme has assessed the causes for the poor performance, which include insufficient resources, and has implemented remedial action in an effort to increase the pass rate. The results of the first session of brevet examinations held in June 2004 show an improvement, with a pass rate of 50 per cent. It is expected that this rate will improve further when the second session examinations are held.

209. *Secondary schooling*. Lebanon remained the only field in which UNRWA offered secondary-level education to address the problem of restricted access for Palestine refugees to government schools, and because the refugees could not afford the high costs of private schools. The Agency continued to run five secondary schools: the Galilee school in Beirut, the Bissan school in Saida, the Al-Aqsa school in Tyre, the Nazareth school in the north and the Qastal school in Beqa'a. Student results in the official secondary examination (BaccII) during 2002/2003 were 64.97 per cent for the official general secondary examination, as compared to the pass rate of 63.75 per cent in private and government schools.

210. *Education infrastructure*. The reconstruction of Naqab Preparatory School at the Rashidieh Camp, Tyre area, which commenced during the second week of April 2003 following permission from the Lebanese Army to bring construction material into the camp, is proceeding at a slow pace owing to the continued restrictions imposed on bringing building material to south Lebanon camps. Construction work took place on five additional classrooms at the Nimrin Preparatory Girls School at the El-Buss Camp, which was completed in August 2003. Construction work on six additional classrooms at Sammou' Preparatory Boys School at the Ein El Hilweh Camp was delayed until the end of the school year in order not to interrupt school operation. Construction work on the school building at Siblin Training Centre was completed in December 2003. Installation of an electric elevator at the Falouja Elementary Girls School at the Ein El Hilweh Camp, Saida area, for physically challenged pupils was completed in October 2003. Comprehensive maintenance took place at several schools in different areas. Construction was completed on 10 classrooms and one specialized room. The average classroom rate of 30.41 pupils was relatively low by Agency standards, but this was merely due to the fact that many Agency schools in Lebanon are housed in rented premises with inordinately small classrooms.

211. *Vocational and technical education*. The Siblin Training Centre provided vocational and technical training for 692 trainees, of whom 187 were women, in 14 trade courses and eight technical/semi-professional courses.

212. *Pre-service teacher training*. The total enrolment in the teacher training section at the Siblin Training Centre was 116 students, of whom 83 were women. Utilizing a curriculum designed by UNRWA, 75 students graduated from the course in August 2003 and all of them were employed by the Agency.

213. *Kindergartens*. The four French-language kindergartens funded by a donor continued to operate, with 189 children enrolled in the 2003/2004 school year.

214. *University scholarships*. In Lebanon, UNRWA continued administering a scholarship project for 111 female Palestinian university students. Three graduated in July 2003 and another 15 were set to graduate in July 2004. Through a new five-year scholarship project by a major donor, one distinguished special hardship case pupil was selected for a scholarship for the 2003/2004 academic year.

B. Health

215. *Primary care*. UNRWA remained the main provider of primary health care for Palestine refugees in Lebanon. Agency health services were provided through 25 primary health-care facilities, representing the highest ratio of 6.4 per 100,000 registered population compared to an Agency-wide average of 2.9. Of these health-care facilities, 13 were inside refugee camps and 12 outside the camps. During the reporting period, a second health-care centre started operating in the largest refugee camp. The centre was outfitted with new radiology and dental equipment. In addition, works were completed for replacement of an old health-care centre premises in the north area. As a result of the ongoing assessment of needs within the refugee community, approximately 12,000 Palestinians who are on the official records of the Lebanese Government as refugees, but not registered by UNRWA, were exceptionally granted access to UNRWA health-care services at the beginning of 2004, in light of the acute hardship facing them and their inability to access other medical services.

216. *Secondary care*. Secondary care to the refugee population was provided through a partnership agreement with five Palestinian Red Crescent Society hospitals, seven private general hospitals and two mental hospitals. Expenditure on hospital services in 2003 accounted for 37.8 per cent of all medical-care service expenditure in this field, compared to an Agency-wide average of 23 per cent. Owing to the generalized socio-economic hardship and the predominance of private-sector services which are unaffordable to the poor, refugees in Lebanon remained exempt from the system of co-payments in place in other fields, although co-payments were required for specialized life-saving treatment obtained in private hospitals. Additional funds were allocated at the beginning of 2004 to increase UNRWA's financial assistance towards the cost of specialized hospital care and emergency life-saving and cancer treatments, as refugees are becoming increasingly unable to meet the high rates of cost-sharing.

217. *Cooperation with the Government of Lebanon*. During the reporting period, UNRWA participated in the second emergency national immunization campaign to eradicate poliomyelitis, using vaccines donated by UNICEF. A total of 50,219 children below the age of five years were vaccinated. The Ministry of Health also provided the Agency with its requirements of anti-tuberculosis and anti-retroviral drugs for the treatment of HIV-positive refugees.

218. *Environmental health infrastructure.* The tenders for construction and technical supervision for the improvement of water, drainage and sewerage systems in five refugee camps were awarded in July 2003. Works are expected to be completed during 2004 in three camps and during 2005 in the other two camps. In addition, a project for the rehabilitation of the water supply system in one camp was contracted by a donor.

219. *Household survey.* With special donor funding, the Agency contracted a local consultancy firm to carry out a household survey to assess the pattern of utilization of health services of care providers and make recommendations to avoid duplication and overlap. The survey comprised a sample of 4,000 households from all 12 camps in Lebanon. The response rate was 83 per cent and the questionnaire was completed for 17,286 individuals. The survey covered all aspects relevant to the demographic characteristics of the population, housing and environmental conditions, employment conditions, major morbidity conditions and disabilities, lifestyle behaviour including smoking behaviour, utilization of/and satisfaction with the various health services provided by care providers. The study clearly showed that UNRWA is the main source of primary health care, including maternal and child health, family planning and immunization services, whereas the Palestinian Red Crescent Society and private hospitals (with financial assistance from UNRWA) are the main providers of emergency and secondary care to the refugees. The findings of the survey affirmed the Agency's position that any future investment in health should aim at maintaining this complementarity in service provision, upgrade the standards of care and facilities and improve the management of Palestinian Red Crescent Society hospitals, while simultaneously building wider partnerships to address priority health needs that are not provided by the main caregivers, including physical rehabilitation and mental health.

C. Relief and social services

220. *Refugee registration.* The number of Palestine refugees registered with UNRWA in Lebanon as of 30 June 2004 was 396,890, with an increase of 1.3 per cent over the reporting period. The amalgamation of ex-codes in the Lebanon field was completed as scheduled. In order to consolidate further all family records within the family files, a new exercise was initiated to group the original UNRWA Red Master Cards with the Red Cross Cards, which were issued in 1948-1949. A new software program to record the home addresses of registered refugees was implemented in order to enhance the ability to locate and contact registered refugees.

221. *Special hardship programme.* The number of persons enrolled in the programme in June 2004 was 46,373, representing 11.7 per cent of the registered refugee population. As employment opportunities remained scarce and average refugee family income was erratic, irregular and invariably below the poverty threshold, the total number of cases increased to 3,373 families (23,635 persons) in June 2004, representing 30.4 per cent of the total number of special hardship case families and 52.9 per cent of the ration recipients. In December 2003, 226 applicants were eligible for the programme in excess of the ration ceiling.

222. *Selective cash assistance.* The selective cash assistance budget in Lebanon was increased from $93,277 in 2003 to $459,800 in 2004 to enable UNRWA to respond

to the overwhelming needs of refugees. Some $259,498 in cash assistance was distributed to 1,856 families at an average of $140 per family. Extreme winter weather conditions in the Beqa'a area necessitated distribution of cash to 595 families to cover the cost of heating fuel at the value of $33 per family (enough to heat one room for one month). In the Tyre area and the Central Lebanon area, $2,800 was distributed to 14 families consisting of 82 persons, including one non-registered refugee family, whose houses were damaged by winter storms. For the purposes of monitoring and control of the usage of cash assistance, home visits were paid to 458 families assisted from January to April 2004.

223. *Shelter rehabilitation*. A total of 80 shelters were completed during the reporting period at a total cost of $570,044. No new shelter rehabilitation projects were started owing to the absence of funds. In the meantime, a survey of some 1,427 shelters was conducted in the three camps in the Tyre area and 829 shelters were selected for rehabilitation pending receipt of funds. Another 512 shelters identified in surveys conducted in 2001-2004 in the Central Lebanon area, Saida, Beqa'a and the North Lebanon area are awaiting rehabilitation pending receipt of funds. The Project Office carried out an informal impact study of the programme, covering health, social and family issues, including 462 families who benefited from shelter rehabilitation assistance over the years 1997-2003. Overall, the findings were positive, with larger-size families reflecting greater improvements in their living conditions than smaller-size families.

224. *Microcredit community support programme*. Small business loans were issued to 115 clients, for a total amount of $369,050 with an outstanding portfolio of $601,560 and $550,000 in capital. A total of 25 soft loans were issued to special hardship case families at a value of $112,100. During the reporting period, 12 families were removed from the relief rolls after their income reached the threshold for special hardship. The number of family members benefiting from the total loans issued was 184. Recently, a market survey was conducted in North Lebanon camps to assess the community needs and willingness to participate in Housing Improvement Loans. If the outcomes are positive, the product will be piloted. In addition, an apprenticeship project was introduced in two community-based organizations in the Nahr el Bared and Beddawi camps, with a total of 43 trainees from special hardship families, of whom 35 were placed in already established businesses for a period of three months to gain practical experience.

225. *Women's programme*. The Women's Programme Centres continued to be the focal points through which integrated social development programmes were implemented. A total of 4,494 refugee women benefited from the awareness workshops covering a wide range of concerns related to human rights and socio-economic issues. The Women's Programme Centres also provided skills-training courses to 1,413 persons in hairdressing, embroidery, sewing, computer and handicrafts. Some 1,906 schoolchildren benefited from recreational activities and supplementary classes. The 63 Local Administrative Committee members received managerial skills training to improve their performance. The Group Guaranteed Lending, targeting women, flourished in four camps, with 525 clients in 105 groups benefiting from loans in the amount of $262,500 during the reporting period.

226. *Disability programme*. Being an active member of the NGO Forum for the Disabled, the Social Service Programme continued to conduct joint activities with other NGOs. For example, a total of 734 children, of whom 490 had disabilities,

participated in awareness-raising and recreational activities. A series of workshops on preventive measures and the rights of disabled people was organized in coordination with nine local NGOs and attended by 166 persons. Seventy-one disabled persons were assisted with necessary prosthetic devices to facilitate their mobility. UNRWA financially supported the establishment of a speech therapy unit in the Ein el Hilweh camp as well as the employment of an Education Guidance Specialist for the Nahr el Bared community rehabilitation centre. Furthermore, 60 disabled refugee children were sponsored to attend specialized private institutions. At the same time, 12 visually impaired children were mainstreamed in regular schools.

227. *Children and youth activities*. The programme targets marginalized children and youth through diversified activities such as library, arts and crafts, child rights and computer training. The seventeenth annual summer camp sponsored by RSSP in partnership with six local NGOs, hosted 115 children, of whom 23 were disabled. In the Nahr el Bared camp, two weeks of summer activities were organized for 573 children, while 5,000 UNRWA schoolchildren participated in summer camps elsewhere in the field. Currently, a community resource database is being established, which includes a listing of all youth facilities.

228. *Partnership and networking*. The Relief and Social Services Programme participates in the United Nations Task Force on Youth, the Palestinian NGO Disability Forum, the Heritage Revival Committee, the Burj Hammoud NGO Consortium and the Joint Christian Committee. Fourteen Relief and Social Services staff participate in voluntary community services and join local NGOs inside camps. Strong networking also resulted in a total amount of $83,775 in financial assistance and in kind contributions, including technical assistance, estimated at $19,323.

Chapter VII

Syrian Arab Republic

A. Education

229. *Elementary and preparatory schooling*. In the 2003/2004 academic year, the 115 administrative schools in the Syrian Arab Republic accommodated 63,950 students in the elementary and preparatory cycles. Enrolment in UNRWA schools in 2003/2004 decreased marginally by 0.48 per cent compared to the preceding year. Approximately 97 per cent of the schools were working on a double-shift basis and 10 per cent were housed in unsatisfactory rented school buildings. UNRWA students' pass results in the State Preparatory Examination were 95.93 per cent compared to 64.06 per cent for government schools. This high pass rate was in part due to the Agency's monitoring and evaluation system, together with effective remedial work. In 2004, the Syrian Ministry of Education reduced the school week from six to five days. UNRWA also introduced English in the second grade and French in the seventh grade in accordance with curriculum changes introduced by the host Government.

230. *Education infrastructure*. During the 2003/2004 school year, one school was closed and three new schools were established in the Damascus area. An old UNRWA building in the Homs area was renovated and converted into a computer learning centre with furniture and equipment contributed by a donor.

231. *Vocational and technical training*. The Damascus Training Centre accommodated 935 trainees, of whom 220 were women. Trainees were enrolled in 14 trade courses and nine technical/semi-professional courses.

232. *University scholarships*. Through a new five-year scholarship project funded by a major donor, three distinguished special hardship case pupils were selected for scholarships covering the 2003/2004 academic year.

B. Health

233. *Primary care*. Health care was provided for the Palestine refugees in the Syrian Arab Republic through the Agency's network of 23 primary health facilities, 14 of which were inside and 9 outside the refugee camps. During the reporting period, works were completed for the expansion of one health centre by establishing a clinical laboratory and dental clinic. This increased the number of clinical laboratories integrated within primary health-care facilities to 20 and the number of dental clinics to 13, in addition to 1 mobile unit.

234. *Secondary care*. Hospital services were contracted with nine private and Palestinian Red Crescent Society hospitals based on minimal government rates. Owing to limited budget allocations, referrals were restricted mainly to the treatment of surgical conditions and delivery of women in high-risk categories. Because of the exceptionally high rate of Caesarian sections performed at private hospitals, maternity beds were redeployed to the University Hospital in Damascus in order to reduce risks to mothers and newborns.

235. *Cooperation with the Government of the Syrian Arab Republic*. The Syrian Ministry of Health met the Agency's requirements for additional vaccines used in

the expanded programme on immunization as in kind contributions, in addition to the donation by UNICEF of the six main antigens, including hepatitis-B and quadruple (diphtheria, pertussis, tetanus and haemophilus influenzae type-b vaccine). The Ministry also provided UNRWA with its requirements of anti-tuberculosis drugs within the framework of cooperation for implementation of the directly observed treatment, short-course (DOTS) strategy. UNRWA also participated in the national immunization campaigns, organized by the Ministry of Health in collaboration with UNICEF. The campaigns targeted children below five years for polio as well as children who missed their routine immunization for all other vaccines including BCG, hepatitis-B, MMR, measles, DPT and quadruple vaccines. A total of 38,488 children were vaccinated. In cooperation with the Syrian Arab Republic, UNICEF and the Palestinian Red Crescent Society, the Agency also maintained the programme of screening and counselling for hereditary aneamia, such as thalassaemia and sickle cell disease.

236. *Environmental health infrastructure*. Terms of reference were approved for the construction of a sewerage system in one and water systems in two camps within the framework of partnership and financing agreement between the Government of the Syrian Arab Republic and a major donor.

C. Relief and social services

237. *Refugee registration*. As at 30 June 2004, the number of Palestine refugees registered with UNRWA in the Syrian Arab Republic stood at 417,346, which represented an increase of 1.9 per cent over the reporting period. Upon the approval of the Commissioner-General on 13 November 2003, the Syrian Arab Republic started receiving the applications of refugees from the Kirad El Baqqara and El Ghannama tribes. Eighty applications are now under consideration. Successful applications must be supported by documentation from the applicant's file with the General Authority for Palestine Arab Refugees or through other proof of refugee status stemming from the 1948 conflict. Registration clerks have been instructed to pay regular weekly visits to the field camps to carry out registration duties there instead of conducting all such activities from the area office. This step makes it easier for refugees regularly to notify the UNRWA Registration and Eligibility Division of any modifications which need to be made to their family data and registration cards.

238. *Special hardship programme*. The number of special hardship cases enrolled in the programme at the end of the reporting period was 31,288, representing 7.5 per cent of the registered refugee population. Meanwhile 66 refugee families from the Jaramana camp were registered as special hardship case families for the duration of one year because of the demolition of their shelters by the governmental authority to allow for a highway expansion project.

239. *Selective cash assistance*. During the reporting period, 461 families out of a total of 9,331 special hardship case families were assisted with a total of $62,907. Emergency cash assistance was provided to special hardship case families experiencing distress, such as fire, flooding, death or incapacity of heads of households or income-earners, whereas selective cash assistance was provided to those who faced exceptional socio-economic difficulties.

240. *Shelter rehabilitation*. During the reporting period, the Agency did not receive any donations to carry out shelter rehabilitation for special hardship families. However, in April 2004, UNRWA inaugurated the first phase of the Neirab Rehabilitation Project, which included the construction of 28 housing units in Ein el Tal for 28 families willing to relocate from the Neirab camp. A major donor provided $500,000 for this phase and donated another $500,000 for additional housing units in Ein el Tal. At the same time, another major donor made the first instalment of a pledge towards the project.

241. *Social services*. The improvement of service provision through community-based organizations was a key focus during the year. The active participation of 271 community volunteers remained the driving force behind the success of the organizations. Through their 21 income-generation projects, fees and donations, the centres were able to generate a total of $246,642 in revenues during this reporting period. To enhance the financial management of the community-based organizations, 45 volunteers were trained on a unified financial, budgeting and costing system.

242. *Microcredit community support programme*. In the context of the new MCSP strategic direction and based on a needs assessment survey, two loan products were piloted in the Women's Programme Centres of the Ein el Tal and Neirab camps. At the end of the reporting period, 35 Housing Improvement Loans had been issued for a total amount of $32,150. The Group Guaranteed Lending, targeting women only, issued 80 loans for the total amount of $15,468. Efforts continued to bring closure to the former Poverty Alleviation and Income Generation Programme (PAP/IGP) through an intensive delinquent loan collection process. As a result, 103 loans were fully repaid during the year out of the total of 636 PAP/IGP outstanding loans.

243. *Women's programme*. The varied activities of the 15 Women's Programme Centres contributed to the well-being of 16,826 disadvantaged refugee women and their families. A total of 2,011 women benefited from skills training in information technology and English language and in the more traditional skills such as sewing and embroidery. The awareness-raising activities, addressing social, economic and health concerns, served a total of 8,592 persons, while 2,038 students of preparatory and secondary levels benefited from the supplementary or tutoring classes. A total of 6,223 persons attended social, recreational and cultural events. During the school year 2003/2004, the 14 kindergartens and 6 nurseries operated by the Women's Programme Centres provided services to 1,840 children and their families.

244. *Disability programme*. The six Community Rehabilitation Centres continued to provide basic rehabilitation, outreach, referral and physiotherapy services to disabled persons. Various recreational and cultural activities served 2,717 persons. In addition, 190 orphans and disabled children participated in two regular summer camps. A charitable foundation provided 21 training courses to seven Community Rehabilitation Centre supervisors, rehabilitation workers and physiotherapists on subjects such as the rehabilitation of children with cerebral palsy, management and early education. A total of 67 volunteers attended training on hearing impairment, early intervention, mental retardation and other disability-related issues. Furthermore, the Bisan Institute for Social Development conducted a workshop on dealing with disabled children, which was attended by two volunteers.

245. *Partnership and networking*. During the reporting period, cooperation with several international/local NGOs, the host Government and donor agencies was

intensified. The Relief and Social Services Programme participated with several NGOs, the Ministry of Labour and Social Affairs and a major donor in the development of a National Proposal for Early Childhood Development. The Faculty of Education trained 80 kindergarten teachers in pre-elementary teaching techniques. The Ministry of Labour and Social Affairs trained 22 relief and social services staff and volunteers on early intervention, while a Community Rehabilitation Centre volunteer trained 12 staff from the Government and Cerebral Palsy Institutes on the Bobath approach.

246. *Special achievements*. During the reporting period, a new Community Rehabilitation Centre was established in Neirab camp, increasing the total number of Community Rehabilitation Centres to six. Two Physiotherapy Units were established in the Neirab and Yarmouk camps as well as a Hearing Impairment Unit in the Husseinieh Women's Programme Centre.

247. *Constraints*. During the reporting period, financial and operational self-reliance for community-based organizations remained difficult in light of limited financial resources and adequate facilities. Furthermore, the Microcredit Community Support Programme remained in dire need of qualified staff to implement credit operations and its newly introduced loan products.

Chapter VIII
West Bank

A. Education

248. *Elementary and preparatory schooling*. In the 2003/2004 school year, UNRWA operated 95 schools accommodating 60,145 pupils, of whom 56.8 per cent were female. Enrolment in 2003/2004 increased by 0.23 per cent compared with the academic year 2002/2003. Owing to the deteriorating socio-economic situation in the West Bank and the construction of the wall/fence, some parents were forced to transfer their children to Palestinian Authority schools. A number of tenth grade class sections were introduced in a Jerusalem school with funds contributed by a donor. Four classes were added to Shufat schools accommodating 81 girls and 51 boys. Forty-three class sections were added and the classroom occupancy rate was lowered for grade 1 from 50 to 40 pupils. The number of class periods per week for grade 4 was increased from 27 to 30.

249. *Education infrastructure*. Five new schools were completed with funds secured from donors, including 123 classrooms, 5 staff rooms, 18 specialized rooms, 4 latrine units and 3 canteens. Sixty-three additional classrooms and 26 specialized workshops were also completed. A central learning resource centre serving 26 schools in the Hebron area was constructed.

250. *Vocational and technical training*. The three UNRWA vocational and technical training centres in the West Bank accommodated 1,287 trainees during the 2003/2004 academic year, of whom 616 were women. The three centres offered 18 trade courses and 19 technical/semi-professional courses. Once again, the comprehensive exam held by the Ministry of Higher Education was not conducted owing to the restrictions on freedom of movement imposed by the Israeli authorities. In cooperation with the Palestinian Authority, short-term courses lasting from 6 to 24 weeks in diverse disciplines were offered at the three centres for 435 trainees.

251. *Educational science faculties*. The two educational science faculties at the Ramallah men's training centre and the Ramallah women's training centre accommodated 632 students, of whom 417 were women, in a four-year pre-service teacher-training programme offered at the post-secondary level. A total of 133 students, including 83 women, graduated from the two faculties in July 2003.

252. *University scholarships*. In light of the dire economic situation in the West Bank, UNRWA offered 55 scholarships to refugees who were not able to pay their university fees. Through a new five-year scholarship project, four distinguished special hardship case pupils were selected for a scholarship for the 2003/2004 academic year.

253. *Operational constraints*. The Education Department continued to face difficulties in recruiting teachers as a result of the introduction of the reduced UNRWA salary scale in 1999. It was expected that the Commissioner-General's decision in 2004 to bridge the salary gap caused by the 1999 Area Staff Rules would, over time, resolve difficulties in recruiting and retaining qualified staff. Problems were encountered in facilitating enrolment of Gaza students at the vocational section of both the Ramallah Women's Training Centre and the Ramallah

Men's Training Centre. Owing to the inability of these students to get the requisite permits to travel to the West Bank, they were barred from continuing their education at the training centres. Only 26 students out of a total intake of 566 Gaza trainees were in attendance for the academic year 2003/2004. Restricted access to educational institutions continued to hamper the education programme. There were numerous disruptions at the beginning of the 2003/2004 school year, particularly in the north of the West Bank, where lengthy curfews and strict closures continued to be enforced and where children were held captive in their own homes. Many neighbourhoods suffered recurrent military incursions, shelling and injuries to civilians including children. In the school year 2003/2004, UNRWA West Bank schools recorded the killing of seven pupils between the ages of 9 and 14, 36 injuries, and the detention of two 14-year-old pupils. Seventeen teachers and 14 students were still detained at the end of the reporting period. From September 2003 to March 2004, 524 school days and 6,518 teacher days were lost and 726 instructors days were lost at the three training centres. These interruptions were often accompanied by delays at military checkpoints or lengthy detours the teachers were forced to take in order to get to school as a result of various restrictions imposed on their freedom of movement. The physical fatigue and the stressful situation the teachers have been forced to endure negatively impacted on Palestine refugee children's learning. Some 248 additional teachers were employed by the Education Department, 67 to replace teachers who were unable to make it to their workplace and 181 to extend remedial teaching to low achievers. Several other measures were taken to ensure access of teachers to schools. UNRWA transport was used where feasible. Transfers among teachers have been enacted and new appointments have been limited to the same locality, often at the expense of quality. In addition, there was a temporary exchange of teachers between UNRWA schools and Palestinian Authority schools. Damage to the school infrastructure constituted an additional financial burden on UNRWA. Construction of the wall/fence disrupted the education process in the frontier villages of Biddo, Qattaneh, Beit Surik and Beit Inan as well as Ramdine School.

B. Health

254. *Primary care*. Primary health-care services were delivered to Palestine refugees in the West Bank through the Agency's network of 34 primary health facilities, providing the full range of preventive and curative medical-care services, of which 17 were inside refugee camps. During the reporting period, construction was completed for the replacement of an old health centre in the Nablus area, the establishment of microbiology services in four health-centre clinical laboratories, two additional radiology units, an additional dental clinic and the upgrading of diagnostic and laboratory equipment all over the West Bank field. Works were under way for the expansion of the field pharmacy in Jerusalem. The ongoing humanitarian crisis since October 2000 has had adverse consequences on the health and nutritional status of the population and resulted in breakdowns in the delivery and quality of services. There was increased demand for the Agency's general clinic services because many populations had to change the health-care provider owing to difficulties accessing their normal providers and because of difficult socio-economic conditions. There was a decline in the coverage of maternal health and immunization services, especially in localities which had been under prolonged closures and curfews. The construction of the wall/fence on Palestinian land across

the West Bank had exacerbated access problems, both for UNRWA personnel and the population. A total of 2,416 staff days of UNRWA health personnel were lost during 2003 and many staff had to undertake considerable risks to reach their duty stations. An outbreak of mumps started early in December 2003 in the Nablus area and did not subside by the end of the reporting period. A total of 1,982 persons were affected, of whom 78 per cent were children from 5 to 15 years of age. UNRWA responded to this unprecedented humanitarian crisis, by implementing its programme of emergency humanitarian assistance, which had started in October 2000. Additional staff were recruited to cope with the increased workload, additional medical supplies were made available and the services of five emergency mobile medical teams were maintained to provide services to remote communities. In addition, the programme of psychosocial counselling and support was maintained to address emerging health needs, owing to the conditions of strife in the West Bank.

255. *Secondary care*. In-patient care was provided through the Agency's hospital in Qalqilia and contractual arrangements with three NGO hospitals in East Jerusalem and five other hospitals in the West Bank. The Agency also reimbursed insurance premiums to cover cancer treatment costs for refugees holding Jerusalem identity cards. The level of co-payment by refugees stood at 25 per cent for secondary care and 30 per cent for specialized life-saving care. However, owing to increased poverty, many refugees were unable to contribute towards the cost of their treatment. Owing to problems of mobility and access, three additional hospitals were contracted in Nablus, Jenin and Al-Bireh. The additional costs of hospitalization were met through the emergency programme. Further improvements to the Qalqilia hospital during the reporting period included the construction of a store and generator room and the provision of an oxygen station to overcome the logistical problems of supply of oxygen cylinders. The bed occupancy in the hospital declined to 43.5 per cent from pre-crisis levels, mainly because of problems of mobility and access. Similar access problems to UNRWA contracted hospitals in Jerusalem started to be encountered by refugees of the West Bank owing to roadblocks, checkpoints and construction of the wall/fence.

256. *Cooperation at the national level.* The Palestinian Authority's Ministry of Health met UNRWA requirements for all vaccines used in the expanded programme on immunization as an in kind contribution. The Agency, in cooperation with the Palestinian Authority's Ministry of Health and other stakeholders, including United Nations organizations and local and international NGOs, covered areas relevant to disease surveillance and participation in working group meetings on mental health, nutrition, reproductive health and food security information systems.

257. *Environmental health infrastructure.* WHO offered the services of a sanitary engineer to provide technical advice on the rehabilitation of water, sewerage and drainage networks in the Jenin camp and assisted in assessing the needs for repair of damage to water and sewerage systems in other camps. During the reporting period, marked progress was achieved in improving camp infrastructure, including construction of retaining and boundary walls, waste-water and storm-water drainage and the pavement of pathways. These projects, which were implemented in collaboration with camp popular committees through the emergency job creation programme, were completed in May 2004, providing more than 37,000 labour days.

C. Relief and social services

258. *Refugee registration*. As at 30 June 2004, 675,670 Palestine refugees were registered with UNRWA in the West Bank. This reflects an increase of 3.2 per cent over the reporting period. A large number of refugees approached the Eligibility and Registration Office to update their registration records. These refugees aimed to benefit from UNRWA services, in increasing demand as a result of the conditions of strife and heightened levels of poverty in the occupied Palestinian territory. The division also continued the ex-code amalgamation process, which integrated the original records of the 1948 refugee families with all other documents related to their descendants. Some 86 per cent of the total number of files were amalgamated by the end of the reporting period.

259. *Special hardship programme*. Enrolment in the special hardship programme as at 30 June 2004 reached 39,314 persons, representing 5.8 per cent of the registered refugee population in the West Bank. The programme continued to promote a holistic family approach. Apart from survival needs, other poverty-related problems of poor refugees in and outside the camps were addressed. A total of 4,003 families and individuals benefited from counselling delivered by social workers and 132 male and female school dropouts from poor families were returned to school. Thirty-one drug addicts were placed under treatment, 44 refugee women joined literacy classes, and 718 refugee women were referred by social workers to UNRWA health clinics to obtain guidance on family planning.

260. *Selective cash assistance*. A total of 205 families were assisted with $43,167 in cash to help them overcome crises. This assistance was provided towards the purchase of basic household items, schooling for children, clothing, accommodation, utilities and other emergency items.

261. *Shelter rehabilitation*. Rehabilitation assistance was provided through a self-help approach to some 113 families in order to improve the condition of their shelters.

262. *Microcredit community support programme*. Through the apprenticeship programme, 607 impoverished refugees were identified to receive skills-development; 174 were enrolled in the programme. A total of 1,370 persons participated in 44 workshops addressing poverty. Twenty grass-roots organizations and community groups received business advice and consultations and assisted 125 impoverished families to develop business ideas. Furthermore, 42 publications addressing poverty and social welfare were developed and distributed. Findings of four camp assessments conducted by MCSP staff indicated high demand for housing improvement and consumer loans.

263. *Women's programme*. The 15 Women's Programme Centres provided awareness workshops to 12,204 community members and 1,964 women benefited from various skills training activities, which provided 56 women with new work opportunities and created 111 jobs for women working in the centres. Kindergartens and nurseries served 233 working women and 664 children. Social, cultural and recreational activities were provided to 6,542 women and 9,913 children and youth.

264. *Disability programme*. The 14 Community Rehabilitation Centres supervised by 114 Local Administration Committee members and assisted by 206 community volunteers provided rehabilitation services to 7,890 disabled persons and their

families. Awareness-raising activities served 340 community members, 322 received prosthetic devices and home modifications and 354 were mainstreamed into regular schools. Furthermore, the cerebral palsy, physiotherapy and speech therapy units at Community Rehabilitation Centres served 891 children and their families. A total of 500 disabled persons benefited from other activities, such as medical open days and clothes and food distribution. Ninety-three rehabilitation workers and Local Administration Committee members attended 14 technical and management skills training workshops. The Centres' Income Generation Projects expanded to benefit 1,130 persons and created 33 work opportunities. The update of the intifada-related disabilities study, conducted in 2003, indicated that by April 2004, the number of disabled refugees increased from 1,695 to 2,019 persons, mainly males.

265. *Children and youth programme*. The initial results of a study carried out by relief and social services staff entitled "Children in Refugee Camps, a Family Perspective", indicated that home demolitions and fear of homelessness were the major contributing factors to the psychological trauma experienced by West Bank refugee children. To assist children to cope with such daily fears, community-based organizations, in cooperation with local NGOs, increased their efforts to provide them with recreational, educational and social activities. In coordination with the Palestinian National Theatre, a wide range of educational psychodrama workshops, open days and performances were organized for children inside and outside camps. All these activities served a total of 33,744 children and youth.

266. *Capacity-building*. A total of 45 staff members received specialized training related to their functions and responsibilities. Gender-mainstreaming training was provided to six staff and volunteers.

267. *Constraints*. Restrictions on movement, closures imposed by Israeli forces and the impact of the wall/fence and the ongoing conflict in the West Bank seriously affected programme services. High poverty and unemployment rates placed increased demands on the special hardship assistance programme. Many participants in community-based organizations' activities were no longer able to afford fees for courses or services, which also undermined the financial sustainability of those organizations. Furthermore, refugees continued to insist that they were entitled to UNRWA assistance and services regardless of their socio-economic welfare. As a result, staff were subjected to pressure, abuse and, in isolated cases, physical threats.

Chapter IX
Gaza Strip

A. Education

268. *Elementary and preparatory schooling*. In the 2003/2004 academic year, UNRWA schools in the Gaza Strip accommodated 192,105 pupils in 177 schools in the six-year elementary and three-year preparatory cycles. The increase of 2,788 pupils (1.5 per cent) over the preceding academic year resulted from natural growth in the refugee population. At over 45 pupils per classroom, the occupancy rate in the Gaza field was the highest Agency-wide.

269. *Education infrastructure*. UNRWA completed the construction of three schools, five specialized rooms and 44 classrooms. Two other schools, 37 classrooms and 2 specialized rooms are still under construction during the reporting period.

270. *Vocational and technical training*. The Gaza Training Centre accommodated 852 trainees, including 145 women, in 14 trade courses and 9 technical/semi-professional courses.

271. *University scholarships*. In 2003/2004, UNRWA received a contribution of $135,000 for scholarships for special hardship case students who excelled in the General Secondary Certificates. Five awards were granted to five students for the school year 2003/2004 and nine scholarships will be awarded in 2004/2005.

272. *Operational constraints*. Owing to the ongoing conditions of strife in the occupied Palestinian territory, the functioning of the Agency's education programme in the Gaza Strip was subject to various constraints and financial losses, resulting mainly from movement restrictions imposed by the Israeli authorities. Such restrictions led to approximately 465 teachers, 12 school supervisors and 29 head teachers and assistant head teachers not reaching their workplaces at various times during the reporting period. The 192,105 students enrolled in the 177 UNRWA schools lost approximately 41,634 teacher days. At the Gaza Training Centre, 2,465 instructor days were lost to the Agency. Since December 2000, approximately 236,405 teacher days have been lost for schools in addition to a loss of 10,185 instructor days at the Gaza Training Centre. Twelve staff members working in administrative capacities within the Education Department in the Gaza field office were unable to report to work as a result of closures imposed by Israeli authorities at the Abu Houli checkpoint and the Netzarim junction, thereby affecting the smooth running of work at the Education Programme. Seventeen UNRWA pupils were killed and 33 students between 6 and 16 years of age were injured, 2 of whom were shot inside their schools during the period under review. A total of 95 pupils have been killed and 1,100 injured since October 2000. The shelling of schools and gunfire by Israeli forces caused extensive damage to UNRWA premises resulting in heavy financial costs. During the reporting period, the in-service training courses held at the Gaza field office were also interrupted owing to the closure of roads. Therefore, to secure access for teachers to the training courses, these courses had to be implemented in two alternate locations in the Gaza Strip. Remedial plans for low achievers and after-school activities conducted from Emergency Appeals Funds were disrupted owing to Israeli-imposed movement restrictions which prevented access of students to their schools. The prevailing situation reflected negatively on

students' achievements, as reflected in an average decline of 9.4 per cent in the four main subjects: Arabic; math; English; and science.

B. Health

273. *Primary care*. UNRWA remained the main provider of primary health-care services for the Palestine refugee population in Gaza, which represents approximately 73 per cent of the total population of the Gaza Strip. Services were delivered through a network of 17 primary health-care facilities, 11 of which were located inside the 8 refugee camps and 6 outside camps. Six maternity units integrated within the largest primary health facilities provided intra-partum care, six provided physical rehabilitation services and five provided radiology services. The unique arrangement of operating a double shift clinic at five health centres serving the largest refugee camps was maintained since it proved to be the most cost-effective means to bridge the gap between the increasing needs of a rapidly growing population and limited Agency resources. During the reporting period, work started for the replacement of a large health centre and an old prefabricated physiotherapy clinic moved to a conventional building. Arrangements were also made for the takeover and operation of a new health centre constructed and equipped by a donor and handed over by the local authority to the Agency. In spite of restrictions imposed by the Israeli authorities on the movement of staff, people and vehicles from one district to another, access to health care within each district remained largely unaffected, while the demand for the Agency's general clinic services increased by 60 per cent from pre-crisis levels owing to difficult socio-economic conditions, which resulted in considerable increase in the consumption of medical supplies. The Agency was also able to arrange periodic visits of medical teams and provided emergency medical care to two communities, which remained completely sealed by the Israeli military. The high coverage of maternal and child health services, including immunization, was maintained. However, the steady increasing trend in utilization of family planning services slowed down since the second intifada. The Agency also maintained its programme of psychological counselling and support to address the burden of stress-related symptoms among at-risk groups, especially children and adolescents.

274. *Secondary care*. Hospital services were provided through a contractual arrangement with an NGO hospital, in Gaza City, as well as through partial reimbursement of medical expenses incurred by refugees for treatment in or outside the Gaza Strip. Owing to problems of mobility and access between the various geographical areas within the Strip, the services of the Agency's contracted hospital were underutilized and the number of patients treated declined in 2003 to almost 50 per cent from pre-crisis levels as refugees sought care at Ministry of Health hospitals with easier access. This care was often sought without the ability to cover the cost of treatment.

275. *Environmental health infrastructure*. In spite of the difficulties encountered because of restrictions of movement and difficulty in importing construction material, the Agency was able to implement major infrastructure projects in camps and adjacent municipal areas under the special environmental health programme. Investment in the environmental health sector and other related infrastructure during the reporting period amounted to $12.6 million and comprised the completion of phase I of the shore protection project, the completion of additional phases of the

project for construction of a sewerage and drainage system in the middle camps, including a gravity main interceptor in the middle camps, a gravity sewerage line and waste-water pumping station in the south, a new water well in the north and the upgrading of the mechanized solid-waste management system in five camps. The programme contributed to the construction of infrastructure systems, such as water, sewerage, drainage, electricity and roads for the rehousing of families whose shelters were destroyed by the Israeli military, as well as replacement of corded pipes in a single camp. The programme also played a major role in implementing infrastructure projects in camps under the emergency job creation programme.

276. *Cooperation at the national level.* The Palestinian Authority's Ministry of Health continued to provide the Agency with the required vaccines for the expanded programme on immunization and drugs used for the treatment of tuberculosis. The Agency also participated in all national activities relevant to the development of a nutrition and food security strategy, national mental health programme and surveillance of infectious diseases, including vaccine-preventable diseases.

C. Relief and social services

277. *Refugee registration.* The population of the Gaza Strip was estimated to be 1.4 million in 2004, of which 66.7 per cent were registered Palestine refugees as at 30 June 2004. The number of Palestine refugees registered with UNRWA increased by 3.5 per cent over the reporting period.

278. *Special hardship programme.* At the close of the reporting period, 83,249 individuals, representing 8.9 per cent of the registered population, were benefiting from this programme, which represented an increase of 0.3 per cent over the previous reporting period. The destitute elderly reached 14.4 per cent, whereas a significant decrease of 2.8 per cent in medical cases was noticed. The number of families headed by widowed, divorced and abandoned women decreased by 0.81 per cent. A total of 1,413 families were removed from the special hardship case list, as they were no longer eligible for the continuation of benefits.

279. *Selective cash assistance.* The limited amount of $152,700 was allocated towards assistance to 743 special hardship case families representing 4.1 per cent of the total of such families.

280. *Shelter rehabilitation.* At the beginning of the reporting period, special hardship case data indicated that 3,240 shelters were in need of urgent reconstruction and 1,521 in need of repair. By the end of the reporting period, owing to a lack of funds, 98 shelters accommodating 413 special hardship cases were rehabilitated. In addition, dependence on the Agency grew for emergency and longer-term rehousing, as 1,618 more non-special hardship case families became homeless in the Gaza Strip as a result of continued house demolitions and military incursions.

281. *Microcredit community support programme.* Based on the results of a field assessment, Housing Improvement Loans will be piloted in the Beach camp in the latter part of 2004. Thirty-two males and 87 females were employed through 37 community-based organziation income-generation projects.

282. *Women's programme*. Women's Programme Centres provided skills training for 1,006 women, while 400 women were employed by the "Sulafa" embroidery shop; 2,549 persons benefited from awareness-raising activities; 5,659 traumatized children and women received informal counselling and 545 children benefited from day-care centres, nurseries and kindergartens; 46 staff and volunteers received training on management standards and 25 on gender concepts. Two income-generation projects in the amount of $16,000 were funded to equip a kindergarten and a computer unit.

283. *Disability programme*. The programme continued to offer financial and technical support to the seven community rehabilitation centres which served a total of 10,409 disabled persons and their families, providing rehabilitation services, awareness-raising, training and educational and recreational activities, such as computer labs and libraries. During the reporting period, 366 persons were provided with prosthetic devices. In addition, 1,038 children participated in seven integrated summer camps, out of which 491 were children with disabilities. The Jabalia Community Rehabilitation Centre started two income-generation initiatives, a pastry products shop and a canteen, which created six job opportunities for hearing impaired individuals (of which four were women).

284. *Children and youth activities*. A total of 4,360 children benefited from the more than fifty summer camps organized by local NGOs and supported by Relief and Social Services Programme in kind contributions, such as educational materials, sports equipment and nutritional snacks. Through the community-based organizations, 14,316 children and youth participated in educational, social and cultural activities. One hundred and twenty youth participated in community services, such as clean-up campaigns. In addition, the Relief and Social Services Programme continued to provide uniforms and sports equipment to local sports teams.

285. *Al-Nour Rehabilitation Centre for the Visually Impaired (RCVI)*. Through the ongoing programme of 13 elementary school classes, kindergartens, vocational training and outreach, 425 visually impaired persons were served. During the reporting period, RCVI offered various skills training for both males and females, resulting in 43 gaining employment. A total of 220 visually impaired pupils were mainstreamed into ordinary schools. Meanwhile, families with a visually impaired child up to 4 years of age received counselling and advice on how to nurture their child. RCVI also focused on early identification and intervention services through the training of parents in their outreach programme.

286. *Partnership and networking*. Through various partnerships Women's Programme Centres received $163,953, while Community Rehabilitation Centres received $452,975 to expand their services for the refugee communities. A grant of $137,720 allowed for the establishment of a computer at RCVI. The establishment of a sensory garden at RCVI was started in cooperation with an NGO to promote garden-based education where visually impaired children can enhance their other senses through planting and maintaining a flower garden, including trees. The Palestinian Authority made available to the Agency a total of 13,285 dunums, at an estimated value of $398,550, to provide rehousing for 59 families in Gaza City and the North area.

287. *Constraints*. Israeli military operations and the imposition of closures in the Gaza Strip continued to hamper the Agency's relief and social services, at the same

time that demand for these services remained elevated as a result of the strife and largely unrelieved socio-economic hardship. Staff were overworked and, at the same time, experienced high levels of stress caused by unstable security conditions in the Gaza Strip. The Agency's Emergency Appeals in the period under review were underfunded, resulting in a reduction of urgently needed humanitarian assistance. There were numerous indirect effects on the Agency's services, including, for example, the decline in participation in community-based organizations' activities, as people were unable to afford fees for courses or services, which negatively affected the revenues of the centres.

Annex I

Statistical and financial information tables

Contents

Table *Page*

1. Number of registered persons 95
2. Distribution of registered population 96
3. Number and distribution of special hardship cases 96
4. Basic education services 97
5. Vocational, technical and teacher-training services 99
6. Primary health care 100
7. Selected health-status indicators for Palestine refugees 101
8. Social services programme 102
9. Actual expenditure in 2003, regular budget for 2004 and proposed budget for 2005 103
10. Contributions in cash and in kind by Governments and the European Community 104
11. Staff members arrested and detained 106
12. Agency staff 106
13. Microfinance and microenterprise programme 107

Table 1
Number of registered persons[a]
(as at 30 June 2004)

Field	*1950*	*1960*	*1970*	*1980*	*1990*	*2000*	*2001*	*2002*	*2003*	*2004*
Jordan	506 200	613 743	506 038	716 372	929 097	1 570 192	1 639 718	1 679 623	1 718 767	1 758 274
Lebanon	127 600	136 561	175 958	226 554	302 049	376 472	382 973	387 043	391 679	396 890
Syrian Arab Republic	82 194	115 043	158 717	209 362	280 731	383 199	391 651	401 185	409 662	417 346
West Bank[b]	-	-	272 692	324 035	414 298	583 009	607 770	626 532	654 971	675 670
Gaza Strip	198 227	255 542	311 814	367 995	496 339	824 622	852 626	878 977	907 221	938 531
Total	**914 221**[c]	**1 120 889**	**1 425 219**	**1 844 318**	**2 422 514**	**3 737 494**	**3 874 738**	**3 973 360**	**4 082 300**	**4 186 711**

[a] Figures are based on UNRWA registration records, which are updated continually. However, the number of registered refugees present in the Agency's area of operations is almost certainly less than the population recorded.

[b] Until 1967, the West Bank was administered as an integral part of the Jordan field.

[c] This total excludes 45,800 persons receiving relief in Israel, who were the responsibility of UNRWA until June 1952.

Table 2
Distribution of registered population

(as at 30 June 2004)

Field	*Registered population*	*Number of camps*	*Total camp population*	*Registered persons not in camps*	*Percentage of population not in camps*
Jordan	1 758 274	10	304 035	1 454 239	82.71
Lebanon	396 890	12	209 216	187 674	47.29
Syrian Arab Republic	417 346	10	122 005	295 341	70.77
West Bank	675 670	19	181 891	493 779	73.08
Gaza	938 531	8	490 410	448 121	47.75
Total	**4 186 711**	**59**	**1 307 557**	**2 879 154**	**68.77**

Table 3
Number and distribution of special hardship cases

(as at 30 June 2004)

Field	*Number of families*	*Number of persons* *Receiving rations*	*Number of persons* *Not receiving rations*[a]	*Number of persons* *Total*	*Percentage of refugee population*
Jordan	12 341	43 387	3 296	46 683	2.66
Lebanon	11 091	42 627	3 746	46 373	11.68
Syrian Arab Republic	9 331	27 216	4 072	31 288	7.50
West Bank	10 617	33 798	5 516	39 314	5.82
Gaza	17 916	81 629	1 620	83 249	8.87
Total	**61 296**	**228 657**	**18 250**	**246 907**	**5.90**

[a] Including children under one year of age and students studying away from home.

Table 4
Basic education services[a]

(as of October 2003)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Total/on average*
Elementary pupils	84 728	26 453	44 029	41 498	133 875	330 583
Boys	42 272	13 512	22 706	18 000	68 974	165 464
Girls	42 456	12 941	21 323	23 498	64 901	165 119
Preparatory pupils	49 467	12 796	19 921	18 647	58 230	159 061
Boys	25 442	6 046	10 090	7 972	29 532	79 082
Girls	24 025	6 750	9 831	10 675	28 698	79 979
Secondary pupils	-	2 334	-	-	-	2 334
Boys	-	951	-	-	-	951
Girls	-	1 383	-	-	-	1 383
Total enrolment	**134 195**	**41 583**	**63 950**	**60 145**	**192 105**	**491 978**
Boys	**67 714**	**20 509**	**32 796**	**25 972**	**98 506**	**245 497**
Girls	**66 481**	**21 074**	**31 154**	**34 173**	**93 599**	**246 481**
Percentage of girls	49.5	50.7	48.7	56.8	48.7	50.1
Percentage of total Agency-wide enrolment in each field	27.3	8.5	13.0	12.2	39.0	100.0
Percentage increase in total enrolment over previous year	(0.9)	(1.0)	(0.5)	0.2	1.5	0.2
Administrative schools	190	86	115	95	177	663
Elementary	58	31	65	26	125	305
Preparatory	132	50	50	69	52	353
Secondary	-	5	-	-	-	5
Percentage of administrative schools on double shifts	92.6	65.1	97.4	34.7	77.4	77.5
Percentage of administrative schools in rented premises	24.7	41.9	10.4	15.8	0.0	16.6
School building	102	58	61	85	113	419
Rented school building	25	25	8	15	0	73
Classroom occupancy rate	39.71	35.57	41.5	37.68	45.36	41.36
Percentage of class sections containing 48 pupils or more	13.38	2.82	18.23	2.5	25.9	16.0
University scholarships (Japan)	1	1	3	4	5	14
Percentage of female scholars	100.0	100.0	100.0	100.0	100.0	100.0
University scholarships for special hardship cases Jordan individual donor	20	-	-	-	-	20
Percentage of female scholars	80.0	-	-	-	-	80.0

	Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Total/on average
University scholarships for Women in Lebanon (IDRC)	-	108	-	-	-	108
Percentage of female scholars	-	100	-	-	-	100.0
Teachers	4 407	1 589	1 974	2 058	5 786	15 814
In-service teacher trainees[b]	186	118	95	78	256	733

[a] **Enrolment figures exclude an estimated 223,265 refugee pupils attending government and private elementary and preparatory schools and 71,949 refugee students attending government and private secondary schools; they include 35,576 non-refugee children attending UNRWA schools (elementary, preparatory and secondary).**

[b] **Participants in the regular in-service training programme (not including the Education Science Faculty) during the 2003/04 school year.**

Table 5

Vocational, technical and teacher-training services

(Actual enrolment in 2003/04 academic year as of December 2003)

	Jordan				*Lebanon*		*Syrian Arab Republic*		*West Bank*						*Gaza Strip*				
	Amman Training Centre		*Wadi Seer Training Centre*		*Siblin Training Centre*		*Damascus Training Centre*		*Kalandia Training Centre*		*Ramallah Women's Training Centre*		*Ramallah Men's Training Centre*		*Gaza Training Centre*		*Subtotal*		*Grand total*
	M	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	
Vocational and technical training																			
Vocational training[a]		71	593		373	72	510	10	464			117			618		2 558	270	2 828
Technical training[b]	27	356	181	89	132	115	205	210			7	446	200	53	89	145	841	1 414	2 255
Total trainees	**27**	**427**	**774**	**89**	**505**	**187**	**715**	**220**	**464**	**0**	**7**	**563**	**200**	**53**	**707**	**145**	**3 399**	**1 684**	**5 083**
Teacher training																			
Educational sciences																			
Faculty pre-service[c]	145	357										317	215	100			360	774	1 134
Other service[d]					33	83											33	83	116
Total teachers	**145**	**357**	**0**	**0**	**33**	**83**	**0**	**0**	**0**	**0**	**0**	**317**	**215**	**100**	**0**	**0**	**393**	**857**	**1 250**
Grand total	**172**	**784**	**774**	**89**	**538**	**270**	**715**	**220**	**464**	**0**	**7**	**880**	**415**	**153**	**707**	**145**	**3 792**	**2 541**	**6 333**

[a] Two-year post-preparatory courses in a variety of building, electrical, electronic, mechanical and metal working trades.

[b] Two-year post-secondary courses in a variety of technical, paramedical and commercial skills.

[c] Four-year post-secondary course leading to a first university degree.

[d] Two-year post-secondary course leading to a two-year teaching diploma.

Table 6
Primary health care

(1 July 2003-30 June 2004)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Total*
Primary health-care facilities	23	25	23	34	17	122
Services integrated within primary health-care facilities						
Dental clinics	23	17	14	21	14	89
Family planning	23	25	23	34	17	122
Special non-communicable disease care	21	25	23	34	14	117
Radiology facilities	1	4	0	6	5	16
Laboratories	23	15	20	25	14	97
Physiotherapy clinics	1	0	0	6	6	13
Maternity units	0	0	0	0	6	6
Patient visits						
Medical treatment[a]	2 118 084	907 617	1 016 682	1 383 307	2 801 487	8 227 177
Dental treatment	160 389	107 808	74 107	104 729	115 429	602 462
In-patient (hospital) care[b]						
Patients admitted	16 111	17 896	6 748	11 744	3 504	56 003
Patient days	37 965	42 639	9 964	33 518	11 138	135 224
Maternal and child health care						
Pregnant women newly registered	25 188	4 710	8 783	12 068	32 646	83 395
Infants under age 1 newly registered	28 549	4 308	8 448	11 012	29 037	81 354
Children age 0-3 under supervision	79 351	12 070	21 517	30 523	70 792	214 253
New family planning acceptors	7 833	1 625	3 085	3 096	5 367	21 006
Total family planning acceptors	26 123	10 183	17 021	15 373	30 023	98 723
Expanded programme of immunization[c]						
Polio vaccine	99.5	100.0	99.7	98.2	100.0	99.5
BCG vaccine	100.0	100.0	99.7	99.5	100.0	99.9
Measles vaccine	98.8	99.7	99.5	96.7	99.9	99.1
Hepatitis B vaccine	99.4	100.0	99.7	98.1	100.0	99.5
Triple (DPT) vaccine[d]	99.4	100.0	99.7	98.2	100.0	99.5
All vaccines	98.8	99.7	99.5	96.8	99.9	99.1
MMR[e]	92.9	99.6	99.2	94.2	99.8	96.1
School health						
School entrants examined	19 851	5 712	7 433	8 072	18 067	59 135
Booster vaccinations	34 755	6 767	12 952	28 005	58 742	141 221

[a] Visits for medical consultations only.

[b] With the exception of a 63-bed hospital run by UNRWA at Qalqilia in the West Bank, hospital services are provided through contractual agreements with non-governmental and private hospitals or through partial reimbursement of treatment costs.

[c] Percentage of infants below 12 months of age receiving full primary series, based on end-2003 assessment.

[d] Quadruple vaccine in SAR and pentavaccine in Jordan.

[e] MMR given at 15 months of age.

Table 7
Selected health-status indicators for Palestine refugees

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*
Total fertility rate[a]	3.6	2.6	2.5	4.1	4.4
Percentage of population below 16 years of age	33.2	27.7	32.7	35.9	44.2
Percentage of women of reproductive age (15-49 years)	25.2	26.5	25.9	23.6	22.0
Ageing index (population aged 60 years and over divided by population below 15 years of age)	33.5	45.4	32.8	30.6	17.4
Mean Birth Interval (months)[b]	36.2	43.0	42.3	35.1	33.0
Infant Mortality Rate per 1,000 live births[c]	22.5	19.2	28.1	15.3	25.2
Early Child Mortality (below three years) per 1,000 live births[c]	25.1	20.2	30.5	17.6	28.3
Prevalence of anaemia among children < 3 years of age	35.9	29.6	28.0	49.7	74.9
Prevalence of anaemia among pregnant women	32.1	28.6	27.0	35.5	44.7
Percentage of infants breast fed for at least one month[b]	75.9	87.2	78.3	87.1	65.0
Prevalence of exclusive breast feeding up to 4 months[b]	24.0	30.2	40.3	34.5	33.3
Percentage of at-risk pregnancies	32.5	33.8	31.7	32.3	35.5
Percentage of deliveries in health institutions	98.7	97.9	88.2	97.2	99.7
Pregnant women protected against tetanus (per cent)	99.3	97.0	99.7	98.5	99.7
Average daily consultations per medical officer	112	89	95	113	129
Prevalence of diabetes mellitus among 40 years and above refugees (per cent)	4	5.1	6.2	5.1	7.4
Prevalence of hypertension among refugees 40 years and above (per cent)	6.2	9.9	10.1	7.1	10.0
Number of camps served by UNRWA mechanized refuse collection and disposal equipment	10	12	7	13	8
Camp shelters with access to safe water (per cent)	99.0	96.7	95.0	100.0	100.0
Camp shelters with access to sewerage facilities (per cent)	86.3	62.7	86.6	66.3	81.0

[a] UNRWA Survey, 2000.
[b] UNRWA Survey, 2001.
[c] UNRWA Study, 2003.

Table 8
Social services programme

(1 July 2003-30 June 2004)

	Women's programme				Children and youth programme		Disability programme								
		Participants			Participants				Total number of services provided at CRCs						
Field	Centres	Awareness-raising	Skills training	Other	Kindergartens and nurseries	Other[a]	Centres	Total number of individuals served by CRCs	Centre-based	Home-based	Referral	Mainstreaming	Other	Total number of CBO LAC members	Total number of CBO volunteers other than LAC members
Jordan	14	18 340	9 549	4 576	1 271	100	10	1 364	692	672	2 028	318	0	174	402
Lebanon	10[b]	4 494	1 413	2 446	21	7 193	1	2 333	134	2 199	243	147	221	67	253
Syrian Arab Republic	15	8 592	2 011	6 223	1 840	3 338	6	2 907	750	2 157	220	67	0	N/A	271
West Bank	15	12 204	1 964	6 542	864	33 744	14	7 890	2 471	1 387	981	354	3 677	230	782
Gaza	10	2 549	1 006	3 467	545	18 676	7	10 834[c]	3 691	4 898	2 643	1 820	1 038	115	240
Total	**64**	**46 179**	**15 943**	**23 254**	**4 541**	**63 051**	**38**	**25 328**	**7 738**	**11 313**	**6 115**	**2 706**	**4 936**	**586**	**1 948**

	Microcredit Community Support Programme															
	Direct Lending								Indirect Lending							
	Self-support[d]		Soft loans		Housing improvement loans		Small-scale enterprise		Group-guaranteed lending			CBO individual-based lending		Apprenticeship training	CBOs' income-generation projects	
Field	Number of loans	Amount	Number of loans	Amount	Number of loans	Amount	Number of loans	Amount	Number of groups	Number of loans	Amount	Number of loans	Amount	Number of participants	Cumulative number of projects	Number of jobs created
Jordan	3	9 025	0	0	38	50 438	86	307 680	7	61	37 446	114	47 395	0	47	139
Lebanon	0	0	25	112 100	0	0	115	369 050	105	525	262 500	0	0	35	7	19
Syrian Arab Republic	0	0	0	0	35	32 150	0	0	16	80	15 468	0	0	0	21	86
West Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	174	55	74
Gaza	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37	119
Total	**3**	**9 025**	**25**	**112 100**	**73**	**82 588**	**201**	**676 730**	**128**	**666**	**315 414**	**114**	**47 395**	**209**	**167**	**437**

---

[a] This refers to the number of children and youth participants served through CBOs.

[b] This number represents nine Women's Programme Centres and one Community Development Centre in Nahr el-Bared Camp.

[c] This includes 425 visually impaired persons served by Al-Nour Rehabilitation Centre for Visually Impaired in Gaza.

[d] In context of the MCSP strategy, the self-support programme was phased out as at 31 December 2003 and was replaced by soft loans.

Table 9

Actual expenditure in 2003, regular budget for 2004 and proposed budget for 2005

(Cash and in kind, millions of United States dollars)

	Actual expenditure 2003	Budgeted expenditure 2004							Budgeted expenditure 2005
		Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Headquarters*	*Total*	
Education	184.7	50.9	26.4	15.2	30.3	63.6	2.1	188.5	194.6
Health	53.1	12.4	13.4	5.8	12.7	16.6	0.8	61.8	64.9
Relief and social services	29.2	6.3	6.9	3.7	5.0	11.8	0.6	34.4	35.5
Operational services[a]	21.7	2.2	2.8	1.6	3.3	5.1	8.1	22.9	22.4
Common services[b]	19.1	2.7	3.3	1.8	4.4	4.1	26.9	43.3	43.5
Total regular budget	**307.8**	**74.5**	**52.8**	**28.1**	**55.7**	**101.2**	**38.5**	**350.9**	**360.9**

[a] Including supply, transport, information systems and engineering services that support all Agency programmes.

[b] Including management, administrative services and operational reserves that support all Agency programmes, as well as a working capital reserve.

Table 10

Contributions by Governments and the European Community (cash and in kind)

(1 January 2003-31 December 2003)

(Actual receipts in United States dollars)

Source	*Total 2002 contributions*	*2003 actual receipts*			
		Regular budget	*Emergency appeal*	*Projects*	*Total*
Australia	2 363 760	2 345 200	602 000	133 660	3 080 860
Austria	801 126	422 000	356 295	-	778 295
Bahrain	30 000	30 000	-	-	30 000
Belgium	3 985 515	2 270 066	1 326 848	-	3 596 914
Brunei Darussalam	10 000	10 000	-	-	10 000
Canada	7 764 587	6 802 693	678 131	523 010	8 003 834
Chile	5 000	5 000	-	-	5 000
China	60 000	59 985	-	-	59 985
Colombia	-	-	-	-	-
Cyprus	15 000	27 750	18 310	-	46 060
Czech Republic	65 642	35 808	-	-	35 808
Denmark	7 723 755	7 577 008	2 542 819	105 678	10 225 505
Egypt	-	20 000	-	-	20 000
Finland	2 819 163	2 691 066	766 784	-	3 457 850
France	6 099 324	2 374 360	-	1 312 740	3 687 100
Germany	9 247 707	6 752 579	3 020 481	1 921 445	11 694 505
Greece	400 000	400 000	-	-	400 000
Holy See	73 000	-	-	-	-
Iceland	65 000	40 000	-	-	40 000
India	5 162	4 971	-	-	4 971
Ireland	2 483 370	1 238 850	2 272 247	-	3 511 097
Italy	10 841 338	10 161 193			10 161 193
Japan	11 404 906	7 623 259	195 134	437 868	8 256 261
Jordan	203 834	445 562	-	-	445 562
Kuwait	1 499 974	1 499 972	-	-	1 499 972
Lebanon	7 480	15 360	-	-	15 360
Luxembourg	1 836 906	1 722 282	232 072	433 739	2 388 093
Libyan Arab Jamahiriya	-	-	-	-	-
Malaysia	25 000	25 000	-	-	25 000
Maldives	1 000	1 000	-	-	1 000
Malta	-	-	-	-	-
Mexico	2 913	-	-	-	-
Monaco	5 000	5 000	-	-	5 000
Morocco	21 923	24 000	-	-	24 000

Source	Total 2002 contributions	2003 actual receipts			
		Regular budget	Emergency appeal	Projects	Total
Netherlands	14 104 882	13 483 429	-	841 730	14 325 159
New Zealand	292 464	167 220	230 553	-	397 773
Norway	14 689 194	13 888 889	4 280 468	-	18 169 357
Oman	-	25 000	-	-	25 000
Palestine	2 999 567	826 172	-	-	826 172
Poland	20 000	20 000	-	-	20 000
Portugal	125 000	100 000	-	-	100 000
Qatar	35 000	35 000	-	-	35 000
Republic of Korea	100 000	100 000	-	-	100 000
Saudi Arabia	5 430 720	1 800 000	-	702 656	2 502 656
South Africa	27 000	120 000	-	-	120 000
Spain	3 068 197	3 426 454	-	-	3 426 454
Sweden	20 155 095	20 036 120	4 611 611	-	24 647 731
Switzerland	6 754 696	5 925 926	2 920 330	420 563	9 266 819
Syria	34 028	27 606	-	-	27 606
Thailand	-	30 000	-	-	30 000
Tunisia	11 286	9 524	-	-	9 524
Turkey	399 950	200 000	-	-	200 000
United Arab Emirates	500 000	500 000	-	-	500 000
United Kingdom of Great Britain and North Ireland	30 648 473	23 602 949	8 360 288	737 705	32 700 942
United States of America	127 687 126	85 512 378	46 000 000	2 584 254	134 096 362
Subtotal	**296 950 063**	**224 466 633**	**78 414 371**	**10 155 048**	**313 036 052**
European Community	82 582 825	79 518 832	7 484 585	12 607 945	99 611 362
Grand total	**379 532 888**	**303 985 465**	**85 898 956**	**22 762 993**	**412 647 414**

Table 11
Staff members arrested and detained

(1 July 2003-30 June 2004)

	Jordan	*Lebanon*	*Syria*	*West Bank (detained by Israeli authorities)*	*West Bank (detained by Palestinian authorities)*	*Gaza Strip (detained by Israeli authorities)*	*Gaza Strip (detained by Palestinian authorities)*	*Total*
Released without charge or trial	5	3	-	8	-	-	5	21
Released after charge or trial	-	-	1	3	2	1	-	7
Still in detention on 30 June 2004	-	-	1	21[a]	1	1[b]	-	24
Total	**5**	**3**	**2**	**32**	**3**	**2**	**5**	**52**

[a] Ten of the detained staff members have been detained since previous reporting periods.

[b] Staff member has been detained since prior reporting period.

Table 12
Agency staff[a]

(On 30 June 2004)

Programme	*Jordan*	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza*	*Head-quarters (Amman)*	*Head-quarters (Gaza)*	*New York liaison office*	*Geneva liaison office*	*Total*
Education	4 979	1 769	2 276	2 543	6 286	68	0			17 921
Health	899	553	432	671	1 027	12	0			3 594
Relief and social services	125	97	81	118	197	14	0			632
Other	250	284	229	513	630	120	142			2 168
Total, area staff	**6 253**	**2 703**	**3 018**	**3 845**	**8 140**	**214**	**142**			**24 315**
Total, international staff	**7**	**6**	**6**	**24**	**14**	**27**	**47**	**2**	**2**	**137**
Total staff	**6 260**	**2 709**	**3 024**	**3 869**	**8 154**	**241**	**189**	**2**	**2**	**24 452**

[a] Staff members on mission were not included in the list.

Table 13
Microfinance and microenterprise programme

(1 July 2003-30 June 2004)

	Gaza				*West Bank*		*Jordan*	*Syrian Arab Republic*	
	Small-scale enterprise product	*Micro-enterprise credit product*	*Solidarity group lending product*	*Consumer lending product*	*Small-scale enterprise product*	*Micro-enterprise credit product*	*Micro-enterprise credit produc*	*Micro-enterprise credit product*	*Total*
Number of loans issued	35	4 882	4 448	840	0	3 120	1 253	1 162	**15 740**
Value of loan issued ($)	423 000	4 611 800	2 466 050	423 950	0	2 735 682	1 167 655	493 695	**12 344 582**
Capital base ($)	7 779 558	3 099 260[a]	0	60 000	1 681 933	547 277	0[b]	23 398	**13 131 462**
Overall recovery rate (%)[c]	92	94	96	97	100	99	99	100	

[a] Shared capital base for the solidarity group lending product and the microenterprise credit product in Gaza.

[b] Capital for the initial launch of the programmes in Jordan and the Syrian Arab Republic has been lent from Gaza.

[c] Percentage over the life of the programme to 30 June 2004.

Annex II

Pertinent records of the General Assembly and other United Nations bodies

1. General Assembly resolutions

Resolution number	*Date of adoption*	*Resolution number*	*Date of adoption*
194 (III)	11 December 1948	2964 (XXVII)	13 December 1972
212 (III)	19 November 1948	3089 A to E (XXVIII)	7 December 1972
302 (IV)	8 December 1949	3090 (XXVIII)	7 December 1973
393 (V)	2 December 1950	3330 (XXIX)	17 December 1974
513 (VI)	26 January 1952	3331 (XXIX) A to D	17 December 1974
614 (VII)	6 November 1952	3419 (XXX) A to D	8 December 1975
720 (VIII)	27 November 1953	31/15 A to E	23 November 1976
818 (IX)	4 December 1954	32/90 A to F	13 December 1977
916 (X)	3 December 1955	33/112 A to F	18 December 1978
1018 (XI)	28 February 1957	34/52 A to F	23 November 1979
1191 (XII)	12 December 1957	35/13 A to F	3 November 1980
1315 (XIII)	12 December 1958	36/146 A to H	16 December 1981
1456 (XIV)	9 December 1959	37/120 A to K	16 December 1982
1604 (XV)	21 April 1961	38/83 A to K	15 December 1983
1725 (XVI)	20 December 1961	39/99 A to K	14 December 1984
1856 (XVII)	20 December 1962	40/165 A to K	16 December 1985
1912 (XVIII)	3 December 1963	41/69 A to K	3 December 1986
2002 (XIX)	10 February 1965	42/69 A to K	2 December 1987
2052 (XX)	15 December 1965	43/57 A to J	6 December 1988
2154 (XXI)	17 November 1966	44/47 A to K	8 December 1989
2252 (ES-V)	4 July 1967	45/73 A to K	11 December 1990
2341 (XXII) A and B	19 December 1967	46/46 A to K	9 December 1991
2452 (XXIII) A to C	19 December 1968	47/69 A to K	14 December 1992
2535 (XXIV) A to C	10 December 1969	48/40 A to J	10 December 1993
2656 (XXV)	7 December 1970	49/21 B	2 December 1994
2672 (XXV) A to D	8 December 1970	49/35 A to G	9 December 1994
2728 (XXV)	15 December 1970	49/21 O	21 April 1995
2791 (XXVI)	6 December 1971	50/28 A to G	6 December 1995
2792 (XXVI) A to E	6 December 1971	51/124 to 51/130	13 December 1996
2963 (XXVII) A to E	13 December 1972	52/57 to 52/63	10 December 1997
		53/46 to 53/52	3 December 1998
		54/69 to 54/75	15 December 1999
		55/123 to 55/128	8 December 2000
		56/52 to 56/58	10 December 2001
		57/117 to 57/123	11 December 2002
		58/91 to 58/95	9 December 2003

2. General Assembly decisions

Decision number	*Date of adoption*
36/462	16 March 1982
48/417	10 December 1993

3. Reports of the Commissioner-General of UNRWA

1999

Ibid., *Fifty-fourth Session, Supplement No. 13* and addendum (A/54/13 and Add.1)

2000

Ibid., *Fifty-fifth Session, Supplement No. 13* (A/55/13)

2001

Ibid., *Fifty-sixth Session, Supplement No. 13* and addendum (A/56/13 and Add.1)

2002

Ibid., *Fifty-seventh Session, Supplement No. 13* (A/57/13)

2003

Ibid., *Fifty-eighth Session, Supplement No.13* and addendum (A/58/13 and Add.1)

4. Financial reports and audited financial statements (biennial)

1998

Official Records of the General Assembly, Fifty-third Session, Supplement No. 5C (A/53/5/Add.3)

2000

Ibid., *Fifty-fifth Session, Supplement No. 5C* (A/55/5/Add.3)

2002

Ibid., *Fifty-seventh Session, Supplement No.5C* (A/57/5/Add.3)

5. Reports of the United Nations Conciliation Commission for Palestine

1999

A/54/338

2000

A/55/329

2001

A/56/290

2002

A/57/294

2003

A/58/256

6. Reports of the Working Group on the Financing of UNRWA

1999

A/54/477

2000

A/55/456

2001

A/56/430

2002

A/57/462

2003

A/58/450

7. Reports of the Secretary-General

1999

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 53/48, 53/49, 53/51 and 53/52 of 3 December 1998, respectively:

> A/54/377 (Persons displaced as a result of the June 1967 and subsequent hostilities)
>
> A/54/376 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)
>
> A/54/345 (Palestine refugees' properties and their revenues)
>
> A/54/385 (University of Jerusalem "Al-Quds" for Palestine refugees)

2000

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 54/71, 54/72, 54/74 and 54/75 of 6 December 1999, respectively:

> A/55/391 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/55/402 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/55/428 (Palestine refugees' properties and their revenues)

A/55/425 (University of Jerusalem "Al-Quds" for Palestine refugees)

2001

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 55/125, 55/126, 55/128 and 55/129 of 8 December 2000, respectively:

A/56/382 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/56/375 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/56/420 (Palestine refugees' properties and their revenues)

A/56/421 (University of Jerusalem "Al-Quds" for Palestine refugees)

2002

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 56/54, 56/55, 56/57 and 56/58 of 10 December 2001, respectively:

A/57/338 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/57/282 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/57/455 (Palestine refugees' properties and their revenues)

A/57/456 (University of Jerusalem "Al-Quds" for Palestine refugees)

2003

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 57/119, 57/120, 57/122 and 57/123 of 11 December 2002, respectively:

A/58/119 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/58/339 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/58/206 (Palestine refugees' properties and their revenues)

A/58/205 (University of Jerusalem "Al-Quds" for Palestine refugees)

8. Notes by the Secretary-General

1996

A/51/495 (Note by the Secretary-General and annexed special report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East on the financial crisis of the Agency)